سال پانزدهم
شماره‌های ۳

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و تحقیقات ایرانشناسی و انتقاد کتاب

خرداد ـ تیر ۱۳۵۱

در این شماره

...ندگان این شماره

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خرداد ـ تیر ۱۳۵۱

نفوذ در دنیای شاهنامه*

عبدالحسین
زرین‌کوب

وقتی ازشاهنامه صحبت در میان می‌آید آنچه مورد بحث و داوری است یك‌کتاب یا یك شاعرنیست یك ملت، یك فرهنگ، ویك دنیاست. درین دنیای زنده وپرتحرك البته چیز زیادی از زندگی شاعر ، رسوب نکرده است واگر کرده است ازمسائل عادی زندگی انسانی درنمی‌گذرد .

تصویرجوانی‌ها وآرزوها، خاطرهٔ باغ وسبزه ومی ومعشوق، سایهٔ‌پیری که خیلی زود انسان متفکررا شکار می‌کند ، نهیب تنگدستی که لازمهٔ زندگی هایی است که درآنها انسان همه چیز دیگر را فدای هدف‌های عالی می‌کند ، اندوه عزیز ازدست رفته‌یی‌که درمرگ او انسان فشارپنجه نیستی را در روی گلوی خویش احساس می‌کند ،گرانی روزافزون ارزاق ، سوخت ، گوشت و هیزم‌که همان ناچیزی آنها عظمت و جبروت انسان فناپذیر اما فریب خورده را پوچ تر وخالی‌تر ازآنچه هست نشان می‌دهد، گذرپرتأنی وملولانهٔ سالهای عمرکه حتی‌گوش سنگینی‌گرفتهٔ یك پیرهفتاد ساله هم‌آواز پای‌آن راکه‌گاه با صدای‌خشك چرخهای یك‌گاری شکسته ازکنارگوش وی دور می‌شود می‌تواند حس‌کند ، تمام‌آنچیزی است‌که از آفرینندهٔ دنیای شاهنامه ، از سازندهٔ این کاخ بلندی‌که آبادی ابدی‌آن زباران و ازتابش‌آفتاب گزند نمی‌پذیرد، درآن باقی مانده است .

کدام جهانگیر، کدام جهاندار، وکدام جهانخوار چیزی بیش ازین از جهان خویش ، از دنیایی‌که وی در یـك لحظهٔ کوتاه شصت هفتاد ساله ازآن عبور می‌کند باخود می‌برد ویا از خود می‌گذارد . همین دوستان هنرمند ما ، همین بهرامی، اسلامیان، معصومی، وشریفی‌هم‌که این شاهنامهٔ تازه را بوجود آورده اند اگر ممکن بود چیزی از زندگی خود در آن نقش‌کنند جز همین

* ازسخن رانیهای نویسنده در دانشکدهٔ ادبیات دانشگاه تهران، اسفندماه ۱۳۵۰

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راهنمای کتاب
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SPECIAL ISSUE

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PERSPECTIVE ON CHINA'S ECONOMIC DEVELOPMENT

Editor: David H.H. Chen
Brigham Young University

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CHANGE OF EDITOR

Mrs Liliana Brisby is retiring from the staff of Chatham House at the end of December 1983 after having been on *The World Today* since September 1971 and its Editor since September 1975.

The new Editor will be **Mr Christopher Cviic**, well known for his work as a journalist on *The Economist*.

tes of the month

NOMISTS, POLITICIANS AND UTOPIANS

re now faced with rapidly growing trade protectionism and a deepening of world banking which may sound the death knell of the post-war inter-nal economic system. The current controversies are about protecting ail-dustries through import curbs and about the question whether national s and governments should bolster up the stability of world banking. They onducted in terms of the traditional alignment between the believers in ee market or in government intervention and are not very different from between the mercantilists and the physiocrats in the eighteenth century. y be more helpful to approach the problems involved from the angle of sic relationship between economics and politics, similar to that adopted H. Carr in his analysis of the nineteenth century in his *The Twenty Years* (1939).

e post-war international economic system was founded on the assump-of the advantages of economic rationality which coincided with the cur-political notions of the advantages of co-operation over conflict or, as ex-ed by the theory of games, of non-zero-sum over zero-sum games. The is familiar. The post-war trend has been in the direction of increasing the nomy of economic forces and agencies, with the governments gradually cting their controls and also establishing rather rudimentary interna-l institutions. The system was a great success, making possible a colossal in international trade and finance. Not all states benefited equally, but prosperity spread in developed countries and rapid industrial develop-took place in some countries of the Third World. In the 1970s, however, ystem began to crumble. The stable exchange rates could not be sus-d; the shortage of oil began to loom large and colossal imbalances of ents arose as the result of its dramatic rise in price; inflation got out of ol and interest rates soared; many established industries could not meet hallenge of their more efficient rivals established in Japan and several y industrialized countries; this led to mass unemployment and to increas-protectionist demands and policies; in 1982, world banking faced the al bankruptcy of several major debtor countries.

the economists, all this generally appears to be a question of economi-rational behaviour being eroded and threatened by the resurgence of ir-nal economic nationalism; to the national governments or, more specifi-, to the politicians and the civil servants, one of the protection of national ests; to the students of world politics and the international system, one rching for more adequate international regimes. None of these perspec-offers much hope of a sufficient and adequate solution and it seems likely somehow or other, they will have to be combined. The first step towards a synthesis must be sought in a clear appraisal of each single perspective.

In the growing prosperity of the post-war years, the influence of the econ mists grew very rapidly as, despite their continuing differences of opinio they were offering feasible ways of replacing some of the fractious int national politics by co-operative international economics. As the internatior system grew more complex, it became increasingly more difficult to mainta the basic equilibria between the various aspects of the management of t physical resources and, once these equilibria appeared to be disturbed, t necessary psychological faith in the stability of the system. At first, t economists performed miracles of adaptation: the jolt of the transition fr fixed to floating exchange rates was not nearly as drastic as had been feared; t enormous quantities of petrodollars were recycled; the successive GA' rounds continued to liberalize international trade, although at a rapi diminishing rate. Even in 1982, world bankers expressed their preferer for continuing with a relatively uncontrolled world financial system, d pite its severe crisis. It is, indeed, possible that, following the recent dr in interest rates and the subsequent reduction in debt service burdens, t bankers would be able to tide over their problems—provided the recessi ends. It is, however, difficult to restore the prerequisite psychological co dition of confidence in the stability of the system. The size of the probl is colossal—by 1981, Third World countries had accumulated debts of o $500,000 m. and the Comecon countries of over $80,000 m.; massive transf of funds to the debtors have become imperative to save the system from collap

Until recently, governments were willing to accept international econon arrangements, even when they detracted from economic sovereignty, becau they suited perceived national interests; while the system was broa beneficial, the governments could easily withstand pressures exercised by t groups adversely affected. With the continuing recession and mass unempl ment, this position is no longer tenable. Although the alternative of st economic nationalism menacingly recalls the adverse lessons of the 1930s, t trust in the efficacy of the present international arrangements has been incre ingly undermined and the technical advice of the economic experts h become increasingly suspect. At the same time, domestic pressures upon t individual governments continue growing, both from the industries m strongly affected and from the public at large. These pressures should n however, be exaggerated. Rather surprisingly, mass unemployment in Brita has not led to a massive erosion of electoral support for the Conservati government—apparently the public realize that the issue cannot be controll by governmental policies alone. Similarly, the national conference of the Co federation of British Industries in November was not specific in its demanc The Confederation found itself split on whether to ask the government to ke the sterling exchange rate lower. The main burden of the concluding speech the Director-General was an appeal for an international initiative among t leading industrialized nations 'to do something about world demand'. I acknowledged that the difficulties in practice are immense but firmly assert that the need is there (*The Times*, 3 November 1982).

s nothing short of surprising how close this recommendation comes to of the Brandt Report; the short-term needs for stimulating demand and reserving the world banking system require action similar to the one nmended in the light of long-term North–South issues and for reasons exing beyond national interests to moral considerations.

timately, decisions will be made by national governments alone. When, ever, faced with the unpromising alternatives of either reverting to omic nationalism or buttressing the existing sytem, a turn towards ined internationalization of arrangements may become as attractive as it been immediately after the war. Without abandoning the aspiration to reas much economic sovereignty as possible, the national governments may nexorably pushed towards the establishment of much more cogent internonal regimes curtailing this sovereignty. For the time being at least, the of the situation is unlikely to lead to any appreciable degree of world ernment but it seems likely that only much firmer international arements could ensure a degree of stability in the international economic em. Forced by the cogency of international needs, national governments incidentally find some promising ways also for resolving the otherwise intable long-term structural domestic problems of modernization of intry and of reduction of unemployment. One cannot exclude the possibility , in the long run, even proposals which do not appear to be feasible now become part of a realistic agenda, e.g. the idea that a substantial propor- of the over $400,000 m. spent annually on armaments could be diverted id and development. It is, of course, utopian to expect that this could hap- soon and to demand governmental initiatives in this direction. Unbtedly, however, there seems to be a considerable scope for imaginative cy initiatives matching those made in the field of arms control and prolly more promising than in the latter.

JOSEPH FRANKEL *

he author is Professor Emeritus of the University of Southampton. The note is an adapted secof his forthcoming book, *Thinking About International Politics*.

GATT: A LOSS OF MOMENTUM

THE November 1982 meeting of Trade Ministers of the contracting parties to the General Agreement on Tariffs and Trade (GATT), the first for some ten years, was convened at a time when protectionist pressures were increasing under the combined influence of the general economic recession and problems of structural adjustment. In the preparatory stages of the talks, following the joint GATT Secretariat and US initiative to have such a high-level meeting, three major objectives were identified. These were: to agree on a political statement of continued commitment to GATT; to decide on a number of substantive issues, in particular, some unfinished business following the Tokyo Round of Multilateral Trade Negotiations; and to set out a work programme for GATT in the 1980s. In the event, the contracting parties, or countries belonging to GATT, succeeded—but only just—in drafting a less than whole-hearted endorsement of GATT, failed to decide on the substantive issues discussed, but did lay some foundations for a future work programme.

The outcome of the meeting was influenced by the fact that major participants came to Geneva not only with different interests to defend, which is unavoidable, but also with different expectations of what the meeting could achieve. The United States, a major innovating force in the negotiations, arrived with high expectations. It took the view that GATT rules needed to be strengthened to stop the 'steamroller' effect of protectionism. American proposals for further liberalization, particularly in services, were also to provide the forward momentum needed to stop the trading system sinking into protectionism. More importantly, however, the Reagan Administration had to show that GATT was effective if it was to head off protectionist pressures at home.

In contrast, the European Community (EC), which managed to negotiate as a single block despite significant differences between member states, argued that it was unrealistic, given the depressed state of the world economy, to expect any major initiatives to come out of the meeting. Rather than focusing on the need to limit or remove trade barriers as a precondition for a revival in international trade, the Community's position was that trade barriers could be more easily tackled once a recovery was under way, and that economic and monetary policies were therefore at least as important as GATT. This implicit criticism of American inward-looking economic and monetary policies was countered by US criticism of European pessimism and lack of resolve in helping the US stand up to protectionism. The combined effect of the US lead in forming the agenda, Australian opposition to EC agricultural trade policies, and opposition by the developing countries to European trade restrictions on textiles meant that the EC was on the defensive from the outset.

In their political statement, all contracting parties reaffirmed their commitment to GATT and recognized that 'the interdependence of national economies means that no country can solve its trade problems in isolation'. The Europeans managed to insert a reference to the need for 'parallel efforts in

the financial and monetary fields'. But on the most contentious issue concerning the call for a 'standstill' on 'illegal' trade restrictions outside GATT, the European Community differed from Australia, the United States and, less vocally, a number of other countries including Japan. The EC opposed the standstill on the ground that it was unrealistic to expect governments to give up the opportunity of taking measures in support of hard-pressed industries at a time of recession. The compromise, in which countries undertook to 'resist protectionist pressures'... and 'make determined efforts' to avoid limiting or distorting trade, is clearly weaker than a standstill on new protectionist measures.[1]

The issues of substance involved in talks before and during the meeting were: selective safeguards; dispute-settlement in GATT; trade in agricultural products; and a number of problems involving North–South trade relations. The failure to reach agreement on safeguards turned, as it did in the Tokyo Round, on the EC's determination to include provisions for selective measures against individual exporters.[2] The developing countries have consistently refused to endorse any such selectivity out of a not unjustified concern that they would always come off worse in bilateral talks with their powerful trading partners. At the ministerial meeting, the US sought a trade-off with the developing countries in which the US would support a strengthened safeguard code, with adequate protection under GATT for developing countries, in return for an agreement, from the Newly Industrializing Countries (NICs) with high tariffs, to negotiations on tariff reductions. The US, along with other countries such as West Germany, also wished to bring such 'illegal' measures as voluntary restraint agreements back into GATT by means of a safeguard code which enabled multilateral surveillance and transparency. Despite German reluctance, the final EC position, strongly influenced by the French, was to reject such a code unless adequate provision for selectivity was included. The developing countries refused and American attempts to reach a compromise failed, and with them went the hopes of getting the NICs to enter into tariff negotiations. The Europeans also failed to support the US on tariff reduction talks, arguing that this was impracticable given the level of indebtedness of the countries concerned. Whilst North–South tariff negotiations were put on ice, the contracting parties did set themselves a one-year deadline for drawing up and adopting a 'comprehensive understanding on safeguards'.

In order to satisfy Congress, consecutive US administrations have been at pains to show that trade dispute settlement in GATT works. The Reagan Administration also sought a strengthening of these multilateral provisions. As in the past, the American objective in Geneva was to increase the role of adjudication. In contrast, European governments have placed greater em-

[1] For text of Ministerial Declaration, see GATT Press Release GATT/1328, 29 November 1982.

[2] For details of the Tokyo Round, see GATT, *The Tokyo Round of Multilateral Trade Negotiations* (Geneva: GATT, 1979); also Mario A. Kakabadse, 'The Tokyo Round and after', *The World Today*, July–August 1981.

phasis on conciliation between countries and have made less use of the independent adjudication procedures of GATT. These differences were, however, accommodated in a compromise proposal from Switzerland and Canada, which aims to strengthen the GATT provisions without changing the framework negotiated in the Tokyo Round.

The US, backed by Australia, New Zealand and other exporting countries, also wanted improvements in the GATT provisions regulating subsidies for agricultural exports. The target here was the EC's export restitutions which were seen as a threat to their export markets. At issue was the interpretation of the Tokyo Round code on subsidies, on which the US and others were effectively seeking to renegotiate. Given the large surpluses and recession in American agriculture, these efforts were backed by explicit US threats of matching EC subsidies in an agricultural trade war. In Geneva, the EC countries decided to call what they saw as an American bluff. Whilst refusing to accept new negotiations, the Europeans did, however, agree to talks within a GATT committee on trade in agriculture which is scheduled to make recommendations in 1984. Decisions on two further issues, affecting North–South trade, were also deferred. These were the call of the industrialized countries for an agreement to restrict the production of counterfeit goods, and an attempt by developing countries to liberalize trade in textiles and clothing.

As the difficult decisions on substantive issues have almost all been deffered, it will be the unfinished business of the 1970s which will continue to preoccupy GATT in the first half of the 1980s. In the longer term, the US was able to gain sufficient support for its initiative on the liberalization of trade in services to get this on the GATT agenda. This was possible despite a cool response from the Europeans, with the exception of the UK, and open opposition from some developing countries. The reference in the ministerial declaration to work by 'relevant international organizations', in addition to GATT, reflects the desire of the developing countries to discuss trade in services in the United Nations Conference on Trade and Development (UNCTAD) where they have more control than in GATT. GATT is nevertheless to consider services again in 1984. One final element of the work programme will be a study on the extent to which trade in high technology goods, such as advanced electronics, is covered by existing provisions of GATT.

In conclusion, therefore, the ministerial meeting confirmed that trade liberalization has lost any forward momentum it had in the 1970s. The extent to which the trading system sinks into creeping protectionism will depend on the actions of the major trading nations over the next few years. The ministerial meeting has also shown that, whilst GATT may help these countries to resist domestic and foreign protectionist pressures, it seems unlikely to be enough in the absence of some relief in the form of a general economic recovery.

STEPHEN WOOLCOCK*

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International institutions: riding the storm

FRANCIS PYM

IT is natural in a memorial lecture to look back to the dark years of the war and to the victory which Winston Churchill did so much to fashion. But such a lecture should also try to reflect the spirit of the man—and, for all his great talent as an historian, and the importance he attached to the lessons of the past, Churchill was a man who looked forward. My theme—the international institutions riding the storm—will allow me to look both forward and back: back to a period when great men found time, from day-to-day preoccupations of war and post-war reconstruction, to build the institutions which would ensure peace and prosperity for the generations to come; and forward to what needs to be done if that peace and prosperity are to be maintained.

As the first half of the 20th century recedes, the awful shadow of those two catastrophic world wars tends to diminish with it. We should not allow them to fade too fast. I do not wish to nourish rancorous memories. But I do wish to preserve a clear understanding of the consequences of the international anarchy that prevailed at the time—an anarchy which made it impossible to curb and contain the frustrations of nations under stress. The greatest gap was the lack of effective international machinery—to stabilize economies, to resolve disputes, and to provide legitimate security through a balance of power. Instead of co-operation and consultation, we had economic protectionism and its political twin, a narrow and vehement nationalism. Instead of mutual confidence, we had suspicion and mistrust. And rapid rearmament on one side was matched by unilateral disarmament on the other. The memory of those black years and of their terrible consequences remains vivid, especially here in Luxembourg.

It took us all too long to realize the truth of Emmanuel Kant's reflection that nowhere does human nature appear less lovable than in relations of whole nations to each other; and longer still to recognize the need for international institutions to regulate and secure these relations. But, in a period of unprecedented creative activity, from the drafting of the Charter of the United Nations in 1945 to the signing of the Treaty of Rome in 1957, the institutional cornerstones of our contemporary stability and security were laid. Not by theoreticians, working in academic calm to design a perfect world, but by busy, often harassed statesmen, seeking to cope with the problems which beset them at a time of intense political pressure. Men were found with the boldness

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and the imagination to match the moment: their achievments are the basis of our security and prosperity today.

But we must not assume that we can rest on these achievements. We are living through some of the most difficult days of the post-war period. At home, we are all suffering from deep recession, accompanied and aggravated in some cases by social discord, itself due in large part to economic uncertainty. Internationally, the climate is more than usually overcast. East–West tensions are disturbingly high. Recourse to lawlessness, and to military solutions to intractable problems, is growing. The plight of the poor and hungry feeds the flames of violence and unreason in an already volatile world.

As a politician, I approach these issues as I do domestic issues, through the prism of my own political outlook and philosophy. I am a conservative, in the British political sense of the word: I realise that it does not translate easily on the mainland of Europe, where it has connotations of rigidity and reaction which are absolutely foreign to my way of thinking. I believe in the value of experience and tradition, the value of familiar institutions and methods that have been tried and tested. I think it dangerous to hold that institutional change is in itself a remedy, or can provide any social or political panacea. And I am firmly convinced that revolutionaries have over the years broken many more eggs than they have made omelettes. But I favour evolution. And I am quite prepared to see institutional change—indeed, I advocate it—where it can be shown to be helpful.

Existing institutions

The institutions we have inherited from the days of Churchill were each created in particular conditions and in response to particular needs. There have been many changes in the world since then. That in itself may mean much or very little: the need for a corresponding change of emphasis, or of policy, or—if needs be—of institutional structure, can only be contemplated sensibly on the basis of more detailed analysis.

The United Nations—chronologically the first of the institutions in question—is a good example of what I have in mind. The most obvious change which has occurred there is the one symbolized by the proliferation of flag poles in Turtle Bay. Fifty-one countries were represented at the first session of the General Assembly in 1946; this year, there are 157. This rapid growth—for which Britain is proud to claim a large part of the responsibility—has had a very obvious influence on the resolutions of the General Assembly. Expectations have been raised in some quarters, blood pressure in others. But the more significant change is surely to be found elsewhere: the all-important peace-keeping machinery of the United Nations was—inevitably—made dependent on the ability of the Permanent Members of the Security Council to agree (or, to put it another way, on the continuation of the Alliance which had won the war). This condition was not fulfilled in the event; and the Security Council has never matched up to the role for which it was conceived. Too often, it failed to act because it came to reflect the East–West divide. Now, as we in Britain

ıave recently learned to our cost, it has reached a stage where Argentina hought it possible to flout—and did flout—that rarest and most solemn expression of international opinion—a mandatory resolution of the Security Council.

The Western democracies were not slow to draw the appropriate conclusions from the inability of the United Nations to act effectively on matters of dispute between East and West. A new institution was needed to tackle a new problem. After the war, despite Winston Churchill's clear perception of the threat, many in the West shared the same fervent hopes about the possibility of living in peace and co-operation with Moscow. What actually happened was that the Russians themselves went out of their way to dissipate these illusions: he events in Prague and Warsaw, and the Berlin blockade, drove home the grim and relentless reality of Soviet ambitions. The North Atlantic Treaty was not drawn up overnight. It was forged in the heat of the Cold War; but it welded together the American and European peoples in an awareness of their common destiny; and their dawning realization that the security of Western Europe was indivisible from that of the United States. In a country that was twice liberated by United States forces, there is no need for me to stress the strength of common interests binding together the peoples of the United States and Europe.

I speak advisedly of the American people: then as now, they were closely involved, through their elected representatives, in the evolution of American strategy. Then as now, there were uncertainties, conflicting voices, and debate. It is enough to peruse Mr Acheson's dealings with the Senate Foreign Relations Committee of that time to remind oneself that the workings of a great democracy are necessarily complex and circuitous. But after due reflection and discussion, the American people gave their momentous commitment to the security of Europe. This was no reactive spasm to the Soviet threat, but a cool calculation of collective Western interests.

And yet, it was a calculation made in very different circumstances to those which obtain today. The Soviet Union had emerged from the war with infinitely greater conventional military strength than the Western allies. But the Americans had nuclear weaponry and were able to throw their cloak over those who signed the North Atlantic Treaty and allow them to live in peace. Now the position is very different. The Soviet Union has achieved parity in virtually all aspects of defensive and offensive weaponry. In some areas—including intermediate nuclear forces—the Soviet Union has a clear edge over the West.

Major changes

It would be absurd to ignore these changes, and dangerous to underestimate their significance. But Nato has responded so far—and I think successfully—by adapting its strategy and its methods of work to the changing needs and to the increased threat that is posed to it, and to the new concerns and apprehensions of its members. It has recognized the special political and practical interests of its European members by the institution of the Euro-Group

in 1968. It rose to the need for close consultation on nuclear questions by establishing the nuclear planning group in 1969. Alongside the Alliance, we set up independently a group to encourage collaboration between European members of the Alliance in the production of defence equipment. And the Special Consultative Group (SCG), instituted in 1979, was a natural reaction to the increasing involvement of the organization in arms control and disarmament measures. The SCG's discussions of the arms control aspects of Nato's double decision on the modernization of intermediate-range nuclear forces have been a model of how alliance consultations should work. Only two months ago, at the suggestion of the German Foreign Minister, Nato introduced yet another novelty: the first in what I am sure will prove to be a series of fruitful, informal consultations between Nato Foreign Ministers. Nato has continued as it began: a voluntary and organic security organization, increasing its power, flexibility and membership as it developed. Unlike its counterpart in the East, membership was, and remains, voluntary. The recent accession of Spain was a heartening proof of its continued attraction and vitality.

It is natural, in the midst of war, that our predecessors should have sought to devise institutions to preserve the peace. It is striking, but perhaps equally natural for a generation that experienced the economic and social crises of the 1930s to have sought also to ensure the stability and growth of the international economy. Over the years, the General Agreement on Tariffs and Trade (GATT) has provided a stable framework for the post-war open trading system, and a forum for negotiations which have led to the reduction of barriers to trade to their present, historically low levels. The International Monetary Fund (IMF) has played its part, on the financial side, to help member states cope with balance-of-payments problems without resorting to measures that would inhibit world trade. Thanks to the generosity and vision of the United States, the Organization for European Economic Co-operation (OEEC)—as it then was—provided the spark and the critical supplies of fuel necessary to restart the motor of the European economy. And the World Bank has succeeded in mobolizing increasing amounts of money for economic development in the Third World.

Here again, there have been major changes. Perhaps the greatest threat we face today is the one to our economic fabric, and at times to our social fabric. With almost 30 million unemployed in the countries of what is now the Organization for Economic Co-operation and Development (OECD) and more than 3 million in the UK alone, with recession biting deeper, and with the ability of states to service their foreign debts threatening the international banking system—there is clearly no room for complacency. Indeed, quite the contrary: there is a need to search very positively for ways in which the international community will be able to help. Neither can we in Europe reasonably rely on others to provide the answers for us; the European members of OECD are collectively, in terms of GNP and trading weight, at least the equal of the United States.

This increasing weight of Europe is not confined to the economic field. It

ook the two wars of this century to persuade Western Europe of the imperative ›f co-operation. The Brussels Treaty of 1948 provided that, in the event of ırmed attack in Europe, member states (then Britain, France and the Benelux ountries) would afford the one attacked all the military and other aid and ıssistance in their power. And this Treaty remains a vital commitment to this lay. The signature of the Council of Europe in London in 1949 was another nilestone on the road. But the European Community was—and remains—the nost ambitious of all, and the most remarkable achievement.

[he European Community

The European Community was a unique political and economic experinent, and it has proved a uniquely successful one. It has made a European war ›f the kind which erupted twice in this century unthinkable. It has blunted the harper edges of nationalism while allowing us to retain the separate national dentities, cultural roots and traditions which at once differentiate us and ınite us in the rich web of European history. Internationally, it has been a ›henomenal economic success, now constituting the largest trading block .n the world, and also the largest aid donor. It has brought new freedoms—of trade, movement, residence, information, employment, and an unparalleled freedom of choice—for all its 270 million citizens.

Britain's accession to the European Community nearly ten years ago, together with that of Denmark and Ireland, is evidence of Europe's growing strength. Like Nato, the Community has consolidated its past and provided for its future through a continuous process of evolution: enlarged membership, institutional development and new policy departures. In the decade since Britain joined, there have been many instances of this vitality: for example, the growth of the Regional and Social Funds; the establishment of the world's only internationally elected Parliament; the evolution of the most sophisticated system of political co-operation in the modern world; and the accession of Greece. The story has been one of continuous, gradual change, and it may well be that we shall need more. A Community of Ten—soon, we hope, one of Twelve—is still operating very largely on the basis thought most appropriate a quarter of a century ago to a Community of Six. As the Community has developed, both economically and as a political actor on the international stage, more has been expected of it. And it is therefore natural to ask whether its established ways of functioning—and of financing the decisions that it takes—are adequate to the demands which can be expected in the future; whether the European identity which is emerging—and which we are glad to see emerge—can be developed much further on the basis of the present informal and largely unstructured system of political co-operation; and—rather further into the future—whether it should be reflected in some development of co-operation in the field of defence.

Basic issues

All these questions are easier to ask than to answer. The list could be ex-

panded without difficulty, because there is no shortage of actual or potential challenges to the security and prosperity which the institutions we have inherited were designed to ensure. But the basic issues can be boiled down to a few:

— is the politico/military threat from the Soviet Union such that Nato is no longer appropriate or sufficient as a Western response?
— are the problems facing the world economy such that the Bretton Woods institutions can no longer cope?
— will the Community as such be able to tackle effectively the economic difficulties facing most of the member states?

I am not at all convinced that the creation of new permanent institutions would make it easier to find answers to any of these questions, although there may well be scope for less formal mechanisms to fill what may from time to time appear as important gaps. (The Seven-Power Economic Summits have proved useful in this respect: and so, in very different ways, have the meeting on North–South issues at Cancún, the Five-Power Contact Group on Namibia, and the American, French and Italian forces now in Beirut.) This reluctance to seek salvation in new institutions—which you may think natural enough in a British Conservative politician—is now fairly widely shared around the world: one thing we have all learned over the last thirty years is that new organizations cannot be guaranteed to solve old problems.

Another possible answer to these questions—and to my mind a very dangerous one—is provided by those who argue that the problems facing us are such that they cannot be solved by working with others in the established international machinery, but that their harmful effects can be avoided, or at least mitigated, by a particular country if it pulls up the gangplank and decides to go it alone. I regard such an outlook as highly dangerous and self-destructive. It finds its expression in pressure for unilateral disarmament, the undermining of the open trading system, and withdrawal from the Community. These are the symptoms found in Britain of a syndrome which has more or less similar manifestations also elsewhere.

The phenomenon is a complex one, and it is not a sufficient explanation to point to those proponents of particular policies whose motives are as suspect as they are transparent. A more fundamental problem in the West is that the decisions which governments have to take have become harder to take; and this difficulty is naturally compounded in international organizations where a number of governments have to take the same decisions simultaneously if agreement is to be reached.

One of the characteristics of modern Western democracies is what has been called the diffusion of power. It is no doubt partly a result of the combination of personal freedom, an increasingly complex society and representative institutions. The result is that no one quite knows where power resides. Those who are supposed by others to hold it find out that they do not. Common citizens imagine power resides in Parliament; MPs believe it belongs with

Government; Ministers suspect that Civil Servants are the real decision makers; and Civil Servants know that for much of the time the policies they recommend are, in fact, determined by forces beyond their control.

The result is a laborious and difficult decision-making process. All countries suffer from it in different ways. In Britain, for example, the case for a third London airport was made years ago, and very few opposed it in principle. Yet for over fifteen years we have been quite unable to decide on an acceptable site. Nearly everyone wants an airport, and nearly everyone wants it somewhere else. In the United States, it is argued that the system of checks and balances thought necessary to prevent the emergence of autocracy in the 18th century, has in the 20th century made it virtually impossible for the necessary decisions of government to be taken. The impact on the electoral process of well-financed groups interested only in a single issue, be it abortion or gun control, seems to be on the increase. And the environmentalists, in the US as in Europe, are demonstrating the power to say 'no'. It may be even worse in countries where coalition governments are the norm, but there must be times when President Reagan is less than convinced by the claim that his office makes him the most powerful man in the world.

As someone whose experience of British domestic politics goes back already some time, both in government and opposition, I find this tendency both understandable and democratic, yet at the same time disturbing. It is even more so when it is translated to the international sphere, and looked at in the light of the decisions which we all know need to be taken there.

Since I said at the outset that a memorial lecture should try to reflect the spirit of the man being remembered, I shall not leave you on this pessimistic note. What we have to do is difficult—more difficult than it used to be—but it is certainly not impossible. We have to approach the task realistically.

Need for realism and flexibility

The threat from the Soviet Union must be seen in perspective. We have no reason to fear their economic competition; their economy is in a bad way. Still less do we need to doubt the outcome of the war of ideas. Soviet Marxism has shown itself to be ideologically barren. All we need to do is to stand firm on the two solid planks on which our policy towards the Soviet Union has been based for many years: on the one hand, dialogue and a readiness to negotiate; on the other, a determination to maintain the force necessary to ensure our security and to preserve peace. We would like nothing better than to establish the necessary balance at a much lower level, and we hope that the Soviet Union will respond constructively to the many Western proposals which lie on the table.

Meanwhile, I think that we could do more in Nato to rationalize our defence expenditure, so that we can choose—depending on the circumstances—either more defence at the same cost, or the same defence at less cost. The cost of sophisticated defence equipment is persistently out-stripping the rate of inflation and we must be prepared to think radically about how to use our limited

resources most effectively. We should also build quickly on the useful results of the recent informal meeting of Nato Foreign Ministers in Canada, and establish an agreed framework for our economic relations with the Soviet Union and with the different countries of Eastern Europe. The mismanaged affair of the pipeline is one which must be put right quickly and put behind us.

On world trade, GATT's meeting at Ministerial level in November in itself is a demonstation that governments recognize the seriousness of the threat to the open trading system represented by massive and persistent trade imbalances and increasing protectionist pressures. It is essential that we take this opportunity to reconfirm our commitment to the tariff and non-tariff measures agreed in the Tokyo Round, and to make clear our rejection of a beggar-my-neighbour approach to the problems which the recession has posed for us all.[1]

In the financial field, we need progress in three key areas. First, adjustment of economic policies to meet the crises when they arise. The IMF should not be regarded simply as a lender of last resort. Members should be encouraged to approach it at an early stage—if they need to—for advice on their adjustment policies. Secondly, the Fund has a central role as guardian of the international monetary system. The major industrialized countries are prepared to play their part in promoting improvements to the system. This was shown by the undertakings on international monetary co-operation to which the Seven-Power Economic Summit countries and the European Community committed themselves at Versailles. The common objective is a constructive and orderly evolution of the international monetary system. Closer co-operation in pursuing medium-term economic and monetary objectives is the best means to achieve that. Thirdly, we need an increase in the resources available to the Fund, so that it can carry out the tasks which have been laid upon it. At Toronto, the Fund's Interim Committee made considerable headway on the future size of the Fund. These discussions can be brought to a satisfactory conclusion with a little more persistence and determination.

Challenges for the future

As far as the Community is concerned, I have no doubt at all that its basis is sound. We must keep our nerve. Our task must be to defend the achievements of the past, and build on them by working effectively within the Community we have. We must be ready to extend and develop it further and to adapt it to changing circumstances. There are always difficulties and resistances, but they have to be overcome in the interests of the tens of millions of people we represent. History shows that Europe has progressed not by inspired leaps, but by a gradualist, prudent approach. That is surely the right way in today's world. We must be patient. But, equally, we must be bold in meeting the immense challenges we face:

The challenge, for example, to accept Spain and Portugal into the Com-

[1] On the outcome of the GATT meeting in Geneva, see Stephen Woolcock's Note of the month in this issue.

munity with the least delay. The political arguments for this are surely overwhelming.

The challenge to restructure the Community's finances. The present unequal distribution of burdens is not only—I confess—an affront to the British sense of fair play, but it hampers the development of the Community as a whole.

The challenge to maintain the momentum of increasing co-operation, and the lowering of barriers in the face of all the pressures in the other direction. It really is time we fulfilled the vision of the founders by completing the Common Market, sweeping away the remaining restrictions on the provision of services.

The challenge to develop new policies in such fields as fisheries, energy and in areas which will meet the needs of our citizens. With almost eleven million unemployed, we must concentrate particularly on policies and programmes to stimulate the development of new industries, encouraging the maximum exploitation of the potential of our common market. We are far from reaching that potential yet.

The challenge to adapt existing policies to new circumstances. The fundamental principles of the Common Agricultural Policy, for example, are not in question. But we must find some way of limiting surplus production and the cost of disposing of it, and there must be a better balance in the budget, with agriculture taking a smaller share.

And the challenge to reduce the disparities between the different regions of the Community. The Regional Fund is only part of the solution here. We must also look more closely and carefully at how the regions are affected by our major policy decisions.

That is a formidable agenda and an urgent one—but I do not consider it ınattainable. Above all, I think we must build on one of the great strengths f the Community which is its extroversion: its determination to avoid arochialism. For our Community is nothing in isolation. Economically and olitically, it operates in a world context—where, at the end of the day, we all nust operate. It is a fallacy to think that islands of stability and prosperity ould survive for long in an unstable and economically depressed world. What re want, we are most likely to achieve by working with others. What we fear in he outside world is most likely to come about if we turn our backs on it. The nstitutions we have are not perfect, but they were created by people who acepted these truths for what I consider them to be: the only basis on which we an hope to build for our children the sort of world we would like them to live n. Churchill once said—in a different context— that the struggle would be ong and hard: that is true enough of the situation we face today, for the storm by no means imaginary. It is there for all to see. He added that there would e no withdrawal. For my money, that means that we should ride the storm vith the institutions we have, and see to it that we make them work.

America and the Middle East: holding the centre

LINDA B. MILLER

Is there a middle ground that American presidents must find and hold in foreign affairs if they are to be re-elected? Or is this truism about 'the centre' and its importance limited to domestic affairs? Pundits preach that politicians must seek and secure positions in the economy and society apart from the extremes of left and right, whatever such vague terms may mean in contemporary American politics. Understandably, they are chary of extending the same insight to the external arena where American leaders are players on a much more intricate stage, one less susceptible to the manipulations that may shape the outcome of domestic elections.

Yet, if observers are correct in asserting that domestic and foreign affairs are commingled in the nuclear age, the idea of a political centre in America's foreign relations gains validity. Recent US policy in the Middle East, especially President Reagan's peace proposal, demonstrates the domestic utility of stances on foreign affairs that look fair and equitable. Although these values may be inappropriate for the conduct of foreign policy, leaders assume that they are deeply held by the American public. At the same time, the fate of the Reagan peace proposal illustrates the practical limits of an American-conceived middle ground when applied to a turbulent region like the Middle East, known for its unstable regimes. Sorting out the rival claims of traditional disputants there becomes a doubly arduous task because policy-makers must convince both Congress and domestic sceptics that American interests are being promoted in the process.

In terms of background, content and reaction, the Reagan peace proposal reveals the twofold nature of the problem when the US acts as a mediator or conciliator: local parties must be satisfied and American élites must be persuaded. Success abroad, always a tenuous prospect, does not ensure endorsement at home, or vice-versa. Moreover, even if a delicate balance between external and internal prerequisites is achieved, the capacity of others to confuse or frustrate US objectives is large. The continuity of America's ambitious aims in the Middle East—'containment' of the Soviet Union, preservation of the State of Israel and maintenance of secure oil supplies—provides few clear guidelines, as the Administration discovered in launching its peace initiative in the wake of the war in Lebanon.

Background

Since President Reagan campaigned on the basis of strong support for Israel,

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American officials initially stressed at least a rhetorical commitment to the Camp David agreements inherited from the Carter era. Given its geographical location between Europe and South-West Asia, Israel was well-suited and indeed eager to play a leading role in the Administration's evolving concept of an anti-Soviet 'strategic consensus' based on a tacit alliance of America's friends in the Middle East. That neither Egypt nor Saudi Arabia cared to play their assigned roles did nor dissuade the Administration from its plans to counter feared Soviet influence in the Persian Gulf by establishing a Rapid Deployment Force and obtaining bases in such countries as Oman and Somalia.

The contrast between the Carter Administration's fixation on ostensibly local concerns like the Palestinian question or the Iranian revolution and the Reagan Administration's obsession with presumed global threats grew more pronounced as the Republicans downgraded the Palestinian autonomy talks and the status of the PLO generally. Officials also recast energy security issues to emphasize the market as the safest vehicle for assuring adequate Western oil supplies. Following the lead of the then Secretary of State, Alexander Haig, the Administration abandoned the ritualistic charge that Israeli settlements on the West Bank were 'illegal', in order to smooth the way for the withdrawal of the last Israeli forces from Sinai on schedule.

Unsure how to react to Israel's subsequent bombing of the Iraqi nuclear reactor or to the extension of Israeli law to the Golan Heights, the Administration muted public differences with the newly re-elected Begin government in hopes of fostering compromises later. In an apparently contradictory move, the Administration expended much political capital to persuade Congress that selling AWACs to Saudi Arabia would promote peace in the Middle East. The United States temporized on the Iran–Iraq war, while encouraging the West Europeans to advance a diplomatic solution because the government lacked any coherent response to Islamic fundamentalism.

In sum, prior to the war in Lebanon, the Administration played a waiting game. Preoccupied, first, with consolidating its own grip on power in Washington and, second, with anticipating Likud's electoral defeat in Israel, key policy-makers sought to remain aloof from the subtleties of Middle East politics. When they were reluctantly faced with the unwanted necessity of dealing with the Begin government, American leaders remained publicly steadfast in their commitment to Israel's security, but privately disturbed at the deterioration in Israeli-Egyptian relations, especially the slowness of 'normalization'. The Administration tried to put out short-term brush fires and to cope with turf squabbles, as Haig attempted to shape Middle East policy by himself, free of bureaucratic constraints.

Israel's intervention in Lebanon quickly exposed the superficiality of the Administration's efforts. In launching 'Operation Peace in Galilee', Israeli political and military leaders showed their determination to act independently to attain security goals of their devising, rather than Washington's. The Begin government was unmoved by American worries about friendship with 'moderate' Arab countries. It was more impressed with the shallowness of

the Arab commitment to the Palestine Liberation Organization as Beirut remained encircled. As the war was dramatizing Israel's military pre-eminence in the region, it was also widening political fissures in the Israeli public and élite. While partisans of the Prime Minister, Mr Begin, and the Defence Minister, Mr Sharon, applauded the consistently bold approach to Israel's defence concerns, what looked like an ambiguous outcome alarmed domestic critics who judged the war to be provocative and damaging to Israel's image abroad.

Haig's resignation and replacement by George Shultz paved the way for a different US position on the Middle East peace process. Within days of his Senate confirmation in July 1982, Mr Shultz convened top-level meetings at the State Department where two groups of advisers aired their differences. One group, including Henry Kissinger, argued that the war in Lebanon created new diplomatic opportunities for the US, given the PLO's military defeat and Soviet restraint or impotence in the conflict. A second group insisted that the war had harmed American interests, despite the superior performance of US weaponry, because the timing of the fighting suggested collusion between Washington and Jerusalem. For the first group, a more elaborate undertaking, bringing Jordan into the peace process, emerged as the preferred alternative. For the second group, equivocation looked more promising as a way of restoring Arab and PLO confidence in Washington's 'even-handed' approach. The concerns of both were respected when President Reagan announced his proposal on 1 September 1982, after six weeks of quiet manoeuvring behind the scenes. More important, the major interests of each Middle East party were addressed and the US domestic requirement of apparent fairness to all parties was met, as the immediate bipartisan endorsement indicated in the run-up to the November elections.

Content

President Reagan's attempt to balance conflicting priorities was notable in the details of his proposal. The President staked out a middle ground seemingly consonant with American interests in the Middle East when he ruled out both Israeli annexation of the West Bank and Gaza and the formation of an independent Palestinian state in favour of a federation or confederation of the occupied territories with Jordan. Nevertheless, by stating this desired outcome, Reagan undercut the basic framework of Camp David that had called for negotiations between the local parties to shape a solution. Two reasons account for the President's willingness to specify the result of negotiations in concrete form. First, he wished to portray himself to the American people as a peacemaker, a role his bluster on Soviet affairs belied. Second, the Administration wanted to exploit splits between the American Jewish community and the Israeli government, and differences within the Israeli polity. Policy planners wanted to prevent the Begin government's annexation of the territories and to encourage Arab parties to show flexibility towards Israel, thereby forcing Likud's hand.

At first glance, the American plan seemed realistic. The plea for a transi-

tional but complete autonomy for West Bank citizenry leading to a linkage with Jordan squared with America's interpretations of Camp David, if not Israel's. The PLO's defeat in Lebanon appeared to deprive that group of both a territorial base and a veto on any decision of an Arab government to recognize Israel formally, before or during negotiations with the Jewish state. The proposal also appealed to groups within Israel, especially the Labour Party, opposed to the absorption of 1·2 million Arabs. The highly charged issue of Jerusalem's future was carefully left out, although the President urged a freeze on Israel's settlements as an inducement for Arab governments, particularly Jordan, to come forward.

On closer inspection, the Reagan proposal revealed the care with which the President's policy advisers had prepared the domestic ground in Washington. There were no provisions that the important foreign affairs committees of the House of Representatives or Senate would reject, even if the local parties balked. The State Department thought it had diminished the capacity of Israel or the Arab governments to play off the executive and legislative branches to gain favourable treatment. By invoking Security Council Resolution 242 and stating that land would be returned only to Jordan, and at a pace acknowledging Israeli security requirements during and after a five-year transition phase, the President advanced 'territorial compromise' and the 'Jordanian option' in a fashion that highlighted mutual acceptance as the cornerstone of an Israeli-Jordanian peace.

How would the Administration sell its peace plan based on partition to local parties in the midst of continued violence in Lebanon? The assassination of the Lebanese leader Bashir Gemayel, like the killing of Egypt's President Anwar Sadat, might deter other Arab leaders from contemplating peace with Israel, particularly King Hussein. However sensible Reagan's proposal might appear to be in Washington, its implementation would require not only pressure on the Begin government, but also on the Jordanian monarch whose willingness to assume a prescribed seat at the negotiating table had never been thoroughly tested after the Rabat summit in 1974 and his exclusion from Camp David in 1978. While the American Jewish community and the Israeli democracy would air their fears and hopes publicly, especially after the refugee camp massacres in Beirut, the policy debates between the PLO and King Hussein and other Arab leaders would proceed behind closed doors in a series of conferences and meetings that essentially refined previous positions on recognition of Israel or restated old territorial claims.

Whatever its virtues, President Reagan's plan was based on a fundamental asymmetry that the diplomatic dance in Arab capitals and in Washington soon exposed. While partition has a place in the Zionist thinking that led to the establishment of the State of Israel, though not in Mr Begin's version of it, partition has no roots in contemporary Arab nationalism.

Reaction

As responses have shown, America's updating of the 1967 Allon plan that

would exchange populated areas of the West Bank for Israeli security outposts may have been overtaken by events, despite its favourable reception in Egypt, the only Arab country that has made peace with Israel. Still, if it has accomplished nothing else, the Reagan plan has sparked ferment in the Arab world, a movement already under way during the war in Lebanon.

Whether the intensity of the current debate will have any lasting impact is unclear. The Arab reappraisal has confirmed that these governments have a diplomatic rather than a military course to pursue vis-à-vis Israel, whichever coalition controls the Knesset. The posturing of the PLO, Syria and Jordan on such questions as foreign forces in Lebanon or the composition of any Arab negotiating delegation underscores the point. The illusion that the United States holds all the cards and may produce an acceptable territorial arrangement on its own dies hard, yet may be dissipating in the Arab world.

To be sure, the meetings at Fez, Amman, Damascus and Washington have produced little of substance, except Arab acceptance of the United States as the only mediator or broker with stature. King Hassan II's mention of Resolutions 242 and 338 and President Hosni Mubarak's call for unilateral PLO recognition of Israel may mark a tactical change in Arab attitudes. In themselves, these signals are too faint to alter Likud's position. Jordan's willingness to enter talks with Israel is obviously the critical factor.

How Hussein will weigh his choices is the subject of much speculation. On the one hand, the status quo on the West Bank has enabled him to concentrate on building up agriculture and industry on the East Bank and his acceptance of the PLO as the 'sole legitimate representative of the Palestinian people' at Rabat has guaranteed Arab subsidies. On the other hand, he fears an exodus of West Bank Palestinians to the East, if Israel's de facto annexation proceeds at an accelerated pace. Lacking a mandate from the PLO to negotiate, Hussein may simply remove himself from the problem because he fears isolation or assassination. Thus far, the American carrot, the assurance in advance of negotiations that the West Bank will be returned, has failed to yield any firm commitments from the Jordanian monarch.

Meanwhile, the Begin government's swift and predictable rejecton of the Reagan plan and its reassertion of historical claims to the West Bank has sharpened its disagreements with its opponents. While both Israel's major parties reject an independent Palestinian state, the Labour Party would encourage a territorial compromise with Jordan. Like Likud, Labour rejects the PLO as a negotiating partner. Unlike Likud, Labour could deal with a successor organization with more modest goals as part of a delegation led by King Hussein. For the present, Labour's role is to serve as an alternative voice in Israeli domestic politics as the Likud struggles with the US Administration over the central thrust of the Reagan plan.

If the United States cannot deliver King Hussein to the negotiating table with a shrewd mixture of blandishments and warnings, the Administration may have provoked a needless confrontation with Israel. Sensibly, the President has refused to reduce military or economic aid to Israel, a move certain

to exacerbate tensions and justify an even harder line in Jerusalem. Clearly, the time for local parties to act on the US initiative is short. After every other Israeli military victory over Arab states, a cycle of coups in the Middle East has followed, a danger inherent in the Iran–Iraq war as well.

Conclusion

The timely announcement of the Reagan peace proposal, though it may not yield definitive results in the Middle East, has enhanced the President's personal prestige. After five wars, the suggestion that the Arab-Israeli conflict might be resolved through diplomatic means struck a responsive chord. The outcome of the enterprise probably depends more on local parties than on the American government, for the Arab-Israeli conflict has a dynamic of its own. If the conflict recedes because Arab governments individually are reassessing their options, as did Egypt, the Palestinian issue will cease to occupy centre stage internationally and will become an internal matter for the Israeli polity. Then Israel's security requirements versus historical or religious claims will be subjected to more careful scrutiny in the Jewish state. In that circumstance, a more limited role for the United States would be compatible with American interests. If the Reagan plan should become a dead letter like its predecessor, the Rogers plan, the Republicans will have lost little. The centre in America's foreign relations will have held and the Administration will have gained credibility as it prepares for the 1984 elections. A well-publicized peacemaking effort is always good politics domestically.

Party politics and coalitions in Bonn

GEOFFREY PRIDHAM

CHANGES of power in West German politics have not been frequent or regular events and have therefore attracted special attention when they have occurred, not least because of the tendency on the part of political opinion to interpret them as a 'political crisis'. The election of Helmut Kohl as the sixth West German Chancellor on 1 October 1982 was no exception in this respect. As in 1969, when Willy Brandt took over as leader of the first Bonn coalition of Social Democrats and Free Democrats (SPD/FDP), some fundamentalist dust

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was thrown up about the legitimacy of such a change; and indeed, the slow-motion and complicated disintegration of Helmut Schmidt's government —one might say even since its re-election in 1980—had all the appearance of an impending political crisis.

This tendency to write changes of power up large in fundamentalist terms is one that party élites in West Germany find hard to resist, and which lends itself to moralistic strictures in the press. Theo Sommer, editor of the quality centre-left weekly *Die Zeit*, wrote a front-page editorial at the time of the final collapse of the SPD/FDP coalition deploring the party-political 'skirmishes and squabbles' and asking whether 'resolute action' was at all possible 'so long as we maintain this hotch-potch of parties' and whether social peace could be preserved in the Federal Republic 'when the common good is hawked about in the game of dice played by interest groups.[1]

Such despair at élite behaviour combined with a fear that political change might strike at the roots of political stability does differentiate the Federal Republic from other Western democracies. In fact, the latter have witnessed many changes of power recently, some of them being particularly significant as in France and Greece in 1981 and Spain in 1982, where the Left has been elected after a very long absence from national office. A more routine alternation in power has taken place in the three Scandinavian democracies of Denmark, Norway and Sweden, all in 1982, not to mention the almost regular changes that have occurred in Britain since the 1960s. Yet, in none of these many cases has the change in question been accompanied by the same degree of national navel-gazing as in West Germany, not even in the fragile Spanish democracy where the historical milestone of the advent of a Socialist government has, on the contrary, produced a deliberately cautious response among élites of different persuasions. Can therefore the West German case be dismissed, psychologically, as simply a version of the Teutonic worry-syndrome, or, historically, as a remnant of the traditional aversion towards élite-level 'horse-trading' going back to the days of the Weimar Republic; or are there, using the example of the 1982 change of power, reasons of a more contemporary political kind?

There are, on the other hand, objective grounds for suggesting that the change of power in Bonn in 1982[2] has been accommodated much more philosophically than that of 1969. The fact that it is no longer the first time makes the event appear more routine; the SPD has begun to adjust to the role of Opposition more readily and effectively than the Christian Democrats (CDU/CSU) after 1969, not least because its identity as a party has never been so exclusively attached to national office despite sixteen continuous years of power in Bonn. Consequently, the political atmosphere surrounding the 1982 change has been relatively less fraught with trauma. Another reason must be that in 1982 the new government has been presented much less distinctly as the herald of a consciously new programmatic era. Whereas in 1969 Brandt an-

[1] Theo Sommer, 'Die Koalition ist am Ende', *Die Zeit*, 17 September 1982.

[2] See Jane Hall, 'Exit Herr Schmidt', *The World Today*, November 1982.

nounced the 'beginning of democracy' and promised 'inner reforms' and a new departure in relations with the East, in 1982 Kohl has so far largely belied his promise of a 'turning point' (*Wende*) by, in effect, emphasizing continuity with Schmidt's policies.

In short, there are ambiguous if not contradictory signs as to the significance of the change of power in Bonn in 1982. What do they mean?

Historical perspective

As noted above, there has developed over the past decade and more a trend of more frequent changes of power in West European democracies. The Federal Republic has proved to be the major exception to this trend. Why?

Looking at European examples, two salient reasons appear for the frequent if not rapid turnover in governments: the recession, whereby governments given the relatively short time-span allowed by legislative periods find themselves incapable of solving decisively what is a long-term problem; and—not unconnected with the first—the common phenomenon of electoral dealignment, or the decline in traditional party affiliation, thus making for greater volatility. In other words, politicians in office have been required to try to steer in stormy economic seas betwen the Scylla of unemployment and the Charybdis of inflation; the outcome has invariably been near-shipwrecks, dismay among the passengers and a consequent changing of the captain and crew. Referring to West Germany, this scenario has not so far been evident because management of the economy has been effective, at least compared with other European countries, in checking the worst effects of the recession, although electoral dealignment has certainly been present. To be more specific, dealignment is generally the result of the impact of both social-structural change and continuously poor governmental performance on the standing of the parties. In West Germany, the former has occurred with the growth of the 'new middle class' of technocratic white-collar workers displaying more electoral independence of mind than the traditional sectors of the working-class and the 'old middle-class' (e.g. the self-employed, farmers). The second factor has possibly appeared, for the problems of economic recovery paralysed the Schmidt government in its last year or two and were at the centre of the policy dispute in its collapse, unemployment rose steeply during 1982 and forecasts about the economy are gloomy. On this level, then, the Federal Republic may well be entering a period of economic and hence political instability.

Nevertheless, this situation, if it occurs, will not necessarily produce more frequent changes of power in line with European experience elsewhere. The reason lies first of all in institutional peculiarities. Based on their fundamentally negative reading of the Weimar Republic, the authors of the Basic Law very deliberately included provisions outlawing so far as that was constitutionally possible the likelihood of Cabinet instability (e.g. the strong position of the Chancellor as outlined in his power to direct policy guidelines, the constructive vote of no-confidence requiring the Opposition to agree on an

alternative candidate before overthrowing an incumbent Chancellor). More often than not, West German governments have worked according to the intentions of the Basic Law—that is, their ending has usually arisen from resignation after an election (in many cases a constitutional formality) rather than the dissolution of a coalition between elections. Of the twelve governments since 1949, only two—the Erhard coalition in 1966, and now the Schmidt coalition in 1982—have fallen for the latter reason.

While the Basic Law has operated in favour of executive stability, it has at the same time tightened the restrictions on the possibility of an alternation in power—commonly regarded as a desirable feature, if not a necessity, in a parliamentary democracy. There are generally three essential pre-requisites for a ready alternating system, and the Federal Republic only began to acquire one or possibly two of them in the course of the 1970s.

First, there must be a form of electoral system which facilitates interchange in national office between major parties. The West German form of modified proportional representation disqualifies parties with less than 5 per cent of the vote, thus reducing the number of possible coalition actors, but only allows a straightforward alternation between main parties when the Opposition challenger (if speaking of merely the one party) succeeds in obtaining nearly 50 per cent. This excludes the question of coalition alliances, which will be discussed in the next section. Second, there must be a reasonable parity of electoral strength between the two major parties (although, again, the strength of one may be 'topped up' by a coalition partner). Only in the 1970s did the SPD, the weaker of the two main parties, begin to challenge seriously the electoral superiority of the CDU/CSU—it even overtook it in 1972—but more recently the internal crisis in the SPD and its debilitation in government have damaged its electoral impact, with poll trends placing it well down within the 30–40 per cent range.

As a result of these various institutional conditions, changes of power in Bonn are not easy to operationalize—they are in fact slow, cumbersome and often messy, but this once more points to coalition politics to which we shortly turn. There is, however, one particular feature of West Germany that modifies the otherwise likely one-sidedness of the system and that is its federal structure, whereby the party in Opposition at the national level has enjoyed some executive outlet for its political energies. It should also be noted that the state of 'interlocking politics' arising from the federal structure, i.e. co-operative federalism, as expressed through the legislative role of the upper Chamber, the Bundesrat, may well allow for a de facto co-governmental position for the official Opposition, depending on the strength of the respective parties in the *Länder*. For instance, the CDU/CSU came to play this part with its majority in the Bundesrat during the Left-Liberal coalition period.

The third prerequisite for a ready alternation in power is the existence of political attitudes broadly speaking accepting its value. Until the 1960s, traumatic memories of Weimar, the idea of the 'CDU State' and doubts about the legitimacy of the SPD meant that a change of power was widely regarded as

a risk not worth attempting. Positive acceptance is naturally more likely with the successful practice of alternation, and the example of 1969 may be seen as setting such a precedent. It is also significant, with respect to mass attitudes on this question, that changes in German political culture since the 1960s—less deference towards authority, a more politicized and issue-conscious public —have reduced historically conditioned complexes about political change.

Equally, they have also provided greater attitudinal constraints over élite behaviour. Opinion surveys in recent years have indicated a growing alienation between traditional party élites and a more critical public, so that popular discontent over party tactics might derive from a new rather than historical source. This surfaced at the time of the Schmidt government's collapse with the argument that any change of government should be accompanied by new elections to the Bundestag. In other words, an interesting distinction was being made between 'legitimacy' (the democratic principle that such change should be blessed with popular approval) and 'legality' (the parliamentary principle that governments may be replaced between elections, i.e. by the constructive vote of no confidence, used successfully for the first time in 1982). Some public attitudes in the autumn of 1982 also questioned the validity of various constitutional procedures for calling early elections—notably, arranging for a confidence motion to be carried against the Chancellor and hence involving some political manoeuvring, such as abstention by government supporters, but these critical attitudes tended to confuse 'legality' with 'legitimacy'. All the same, any attempt by the new Kohl government to withdraw from or even delay its commitment to early elections in March 1983 would almost certainly meet with public disapproval.

All these various problems ultimately refer to the role of political parties. When national politics are characterized by a rigidity in the system of alternating power, party competition may become frustrated or it may help to overcome it. Put in more specific terms, a considerable onus is placed on the role of the third party in view of the absence of prerequisites for a ready alternation in power, and in the past twenty years of a three-party system this has meant the FDP. Coalition politics is therefore at the heart of the whole problem of how the system operates and how the public reacts to it.

Political parties and coalitional behaviour

There are various characteristics of German coalitional behaviour worth mentioning in introducing this discussion of the party dimension. Coalitions are expected to be formal alliances in every sense, i.e. participation in the Cabinet, broad-ranging policy agreement and a full commitment by each partner party with usually an understanding that this coalitional preference is the model it should follow in *Land* politics as well; there is nothing comparable to the situation of floating coalitions as in Italy, where alliances may include a variety of informal arrangements, such as merely programmatic agreements or external parliamentary support by certain parties without their Cabinet participation. Only recently have circumstances arisen to challenge this formality

in the Federal Republic with the election of minority governments in West Berlin (1981) and Hamburg and Hesse (1982), the instability of the FDP and the emergence of the Green (ecologist) party as a possible coalition actor.

Because of the expectation that coalitions must be fully formal, coalitional change has invariably been a slow process with a long preparatory period—involving (taking the example of the FDP's move from the CDU/CSU to the SPD during its three-year Opposition period in the later 1960s) a change of leadership and a change of programmatic direction. Furthermore, in West Germany's three-party system—only the CDU/CSU, SPD and FDP have been represented in the Bundestag since 1961—the FDP has played a crucial pivotal role, since acquiring an absolute majority is normally beyond the reach of the major parties (this has so far happened only once—in 1957). However, since the 1980 election, the party-political landscape has begun to shift at the parliamentary level, with the Greens now being represented in six regional assemblies and hence the emergence of a four-party system in terms of the number of coalition actors. This change has had important implications for the strategies of the established parties, which will now be discussed since these form the basis from which each party in turn approaches the coalition game.

The strategy of the CDU/CSU has been least affected by the factor of the Greens compared with that of the other two established parties, which have both suffered electorally from the challenge of the new party. For the Christian Democrats the overriding concern has obviously been their return to power, the means revolving around the alternatives of aiming for an absolute majority (nearly achieved in 1976) and adopting confrontation tactics towards both government parties or attempting to win over the FDP as a coalition partner, with more emphasis being placed on areas of harmony with that party rather than discord. Kohl had preferred the second strategy ever since 1969, but as CDU chairman (from 1973) he has not always been in control of Opposition strategy since Strauss has preferred confrontation (notably as Chancellor candidate in 1980). The CDU/CSU Opposition was therefore divided over strategy, but essentially it had to wait for the collapse of the Schmidt coalition—although, as noted earlier, there were constitutional constraints which kept that coalition going well beyond its medical death.

For the SPD, party strategy until the recent change of power was naturally dominated by its governmental role, but for some time internal differences had been evident vertically—between the Schmidt government and party activists especially located in certain regions—over policy, notably defence and nuclear power, which, combined with fatigue with government, had promoted a growing desire within the party for a return to Opposition. From 1981, however, the question of accommodation with the Greens in various *Länder* has introduced a new opening in party strategy, with consequences for national politics, too, now that the SPD is back in Opposition and the Greens have a reasonable chance of entering the next Bundestag. Internal differences have,

nevertheless, surfaced horizontally within the leadership between, on the one hand, Brandt and Vogel (the new Chancellor-candidate), who are flexible on the ground that the SPD should integrate new demands as voiced by the Greens, and, on the other hand, ex-Chancellor Schmidt and traditional Social Democrats with a trade-union background who reject this approach. These differences broadly involve seeing the SPD more as a 'movement' with a capacity for integration as against seeing it foremost as a governing force (in his speech to the SPD's party council on 19 September, just before the change of power, Schmidt emphasized that the party must above all remain capable of governing—*regierungsfähig*).

As to the Greens themselves, it is difficult to speak of their possessing a party strategy in any conventional sense simply because they do not represent a conventional party. At least, this is very much their self-image—according to Petra Kelly, their recent chairman, 'We are the anti-party party'—although their participation in parliamentary work (they now have forty-eight Landtag deputies and some 1,000 local councillors) has presented them with a problem if not conflict of both strategy and conscience—according to one of their Landtag deputies, 'the Fall of [Green?] Man was the entry into Parliament'. Petra Kelly has asserted in the past, 'better 6 per cent and fundamental opposition than 13 per cent and Green ministers', but once the established parties could no longer form majority governments, pressures were bound to operate on Green deputies to come to some accommodation—as began to happen with the SPD minority administration in Hamburg in 1982. This situation has arisen all the more because the Greens' electoral support has increased markedly in the last couple of years from a range of 1·8 per cent to 5·3 per cent (average 3·46 per cent) in the Landtag elections of 1978–80 to a range of 4·6 per cent to 8·0 per cent (average 6·8 per cent) in those held in 1981–2. As a possible coalition agent, the Greens confront the other parties with a quandary—they are incohesive from top to bottom, they vary programatically from *Land* to *Land* and basically they are still rather more of a 'movement' than a 'party'. For instance, they follow a double strategy of parliamentary work and protest politics at the grass roots, where their commitment so far at least has been greater to the latter. So far as their parliamentary activity goes, the Greens are insistently programmatic in their approach to any alliance arrangements, specifically with the SPD; that is, they present particular policy demands as over nuclear energy, disarmament and sexual equality.[3]

It is clear, therefore, that the actual nature of an individual political party may well determine its conduct as a coalition or alliance partner. In short, it is incomplete to look at party strategies only 'externally', in the sense of simply their relationships with other parties; also crucial to understanding coalition politics are 'internal' party determinants, such as structural relationships within parties (élite control/or constraints—relations between leaders and activists, especially), the importance of ideology and specific policy goals for party life, not to mention internal participation in policy formulation and

[3] Interview with Petra Kelly in *Der Spiegel*, 14 June 1982, p. 53.

also the imprint of social base on élite behaviour including assumptive judgements made by politicians about their current and coveted electoral audiences. In other words, party leaders are far from being free in pursuing their alliance strategies. This is true of most parties to a lesser or greater degree, but none of the established West German parties has been so susceptible to these 'internal' factors as the FDP.

With its pivotal role in coalition politics, the FDP has provided a classic instance of a 'third party' situation with its availability to both major parties and yet facing problems of identity and of carrying both members and voters in any strategic change. These problems are reflected in the kind of labels acquired by the FDP: 'bloc party' (subordinate and seemingly permanent junior coalition partner), 'change-of-mind party', 'pendulum party', with less pejorative descriptions of its middling position such as 'majority-creator' and 'scale tipper'. The common denominator in these labels is the virtually one-dimensional view of the FDP's political role as a 'coalition party' (in the media and very largely among the voters). What therefore has been the FDP's strategy? Following its move into a coalition nationally with the SPD in 1969 (duplicated subsequently in the *Länder*), the FDP eventually sought (under Genscher, its Chairman from 1974) a more flexible role of *Auflockerung* ('loosening-up') from the mid-1970s of 'experimenting' with coalitions with the CDU at the sub-national level. This approach, motivated by a desire to give the FDP a more independent profile, came unstuck because the party has progressively lost its representation in *Land* parliaments, including the major state of North-Rhine Westphalia, and hence seen its position as a governing force weakened. In local politics, there has been a growing trend of coalitions with the CDU/CSU.

There is, of course, a distinction always to be made between theory (party strategy in broad terms) and practice (actual coalitional behaviour). The first, it is assumed, guides the second, but consistency or variation depends among other things on the nature of the party in question. This problem of marrying theory and practice is nowhere more evident than in effecting a strategic change, as was shown by the 'messy' way in which the FDP changed coalition partners in 1982. The explanation of the 'messiness' lies in the 'internal' determinants of party coalitional behaviour. The FDP is not a homogeneous party in this respect: ideologically, it has consisted of both left-liberals and conservative liberals with only minimal cohesion between the two; structurally, it has evidenced on the coalition question in recent years different tendencies with middle-level party élites more favourable to a continuing alliance with the SPD than Bundestag deputies;[4] while electorally its small bedrock of committed voters (usually uncomfortably close to the 5 per cent minimal qualification for parliamentary representation) has made it very dependent on 'situation voters' who are predominantly influenced by the FDP's coalition preference of the moment. Electorally, this has produced a vicious circle for the FDP, which has accordingly been far more vulnerable than the two main par-

[4] Report on the FDP, *Die Zeit*, 25 December 1981.

ties (which unlike the FDP benefit from a more distinct profile and from organizational superiority and stability) to any movements of its own choosing within this circle.[5]

From this point of view, the contrast between the FDP's manner of strategic change in 1982 compared with 1969 could not be more stark. The FDP's move towards the left-liberal coalition was gradual and conducted free from the constraints of governmental office, so that come the final option for that coalition in 1969, a clear majority of FDP voters already favoured that choice.[6] They had been allowed time to adjust. The FDP's 'flying change' in 1982 excluded any chance of adaptation among party supporters, whether electoral or activist. The negative consequences of this change have been very evident at all levels of the party structure: alienation of party leaders on the left wing (two reasons: programmatic objections to the policies of the new coalition, the lack of internal consultation over the change) with some prominent defections, a loss of membership (down by 6,000 to 80,000 within two months) and strong indications of an electoral haemorrhage in the offing. The vicious circle is underlined by the ultimate motives for the 'flying change', namely above all a concern for the FDP's political and electoral survival against a growing fatigue with the left-liberal coalition.

This vicious circle has recently acquired a new and more frightening dimension for the FDP, whose strategic, electoral if not governmental role is now under serious challenge as a result of the impact of the Greens. Yet—here is the basic conundrum for the party élite seeing that it is heavily committed to maintaining its position in government for reasons of political survival—the Greens themselves thrive electorally from a critical and growing discontent among voters over the failure of the established parties to respond to public policy concerns. This new public attitude represents a higher degree of political maturity at the mass level (such as a rise in issue consciousness), and so far as it might voice criticism of coalition politics, this attitude derives from a contemporary rather than any Weimar-determined source.

In other words, a chasm has opened up between the behaviour of established party élites and public expectations. In another very different sense, however, West Germany is still a prisoner of the past—in the institutional mechanisms which were originally created to constrain élite behaviour especially with regard to coalition politics. At the same time, in looking at the party system, the situation has now opened up so that a certain point of fluidity has been reached in possible alliance relationships. All these various factors explain, therefore, the ambiguous or contradictory signs over the significance of the change of power in 1982, mentioned at the beginning of this article. Coalitional politics and change is hardly merely an oligarchical exercise, and the FDP might fall victim for having ignored this, but no doubt the voters will have the final say on that in the forthcoming Bundestag election.

[5] Helmut Norpoth, 'Choosing a coalition partner: mass preferences and élite decisions in West Germany', *Comparative Political Studies*, January 1980, pp. 425, 437–8.

[6] *ibid.*, p. 432.

The Third Turkish Republic

ANDREW MANGO

ON 12 September 1980, the Turkish armed forces took over the government of the country in a bloodless coup, suspending parliamentary rule for the second time in the history of the republic. In a broadcast on the same day, the Chief of the General Staff, General Kenan Evren, stated that 5,241 people had been killed and 14,152 injured in terrorist incidents in the previous two years, and explained that the armed forces had been compelled to take over the administration

> 'in order to protect the integrity of the country and the nation, and the rights and liberties of the nation, to remove fear by providing for the security of life and property, to ensure prosperity and happiness, and to reinstate the supremacy of law and order. . .'

General Evren went on to say that until a new government and legislature were formed,

> 'legislative and executive authority will be in the hands of the National Security Council comprising the commanders of the army, navy, air force and gendarmerie under my chairmanship.'

General Evren promised that the armed forces

> 'will turn over the administration of the country to a liberal, democratic and secular administration, based on the rule of law, which would respect human rights and freedoms, attach priority to national solidarity and realize the social welfare and tranquillity of the individual and society, following the preparation of a new Constitution, an electoral law, a political parties act and related legislation, which would prevent a repetition of the current degeneration and obstruction of the liberal democratic parliamentary system.'[1]

On 21 September 1980, a civilian government was formed under Admiral (retired) Bülent Ulusu, the National Security Council retaining legislative power and exercising a general supervisory function. Legislative power was then shared with a nominated Consultative Assembly, which was inaugurated in Ankara on 15 October 1981, and together with the National Security Council was deemed to form a Constituent Assembly. The Consultative Assembly drafted a new Constitution and other laws, debated the Budget,

[1] See General Secretariat of the National Security Council, *12 September in Turkey* (Ankara: GSNSC, July 1982), pp. 229, 230 and 231.

Dr Mango, a frequent visitor to Turkey, is the author of *Discovering Turkey* (London: Batsford, 1971) and *Turkey: a Delicately Poised Ally*, The Washington Papers, Vol. III, 28 (Beverly Hills, Calif.: Sage Publications, 1975). His article 'Managing the Turkish crisis' was published in *The World Today*, July 1980.

questioned Ministers and reviewed death sentences. However, in all cases the final decision was reserved for the National Security Council and its Chairman who combined the functions of Head of State with that of Chief of the General Staff.

The constitutional committee of the Consultative Assembly, under the chairmanship of Professor Orhan Aldikaçti, who had previously been a Turkish representative in the Council of Europe, produced its draft of the new Constitution on 17 July 1982. The draft was extensively amended, first, by the Assembly in plenary session and, then, by the National Security Council, the amendments being generally in a liberal sense. On 4 August 1982, when the Consultative Assembly began its debate on the constitutional draft, the National Security Council issued Decree No. 70, allowing public discussion of the document by all citizens, except for senior office holders of the former political parties (all of which had been dissolved by law in the previous year) and party members under judicial investigation. Then, on 20 October, after the final text of the Constitution had been published, Decree No. 71 banned all discussion of its provisional articles, and entrusted General Evren with the exclusive task of 'familiarizing' the nation with the provisions of the Constitution. This meant, in effect, that while General Evren recommended the Constitution to the electorate, there could be no public campaign against it.

The referendum

The Constitution was submitted to a public referendum on 7 November and approved by 91·4 per cent of the voters, constituting 91·3 per cent of the registered electorate. The high turn-out was not surprising, since, under provisional Article 16 of the Constitution, registered electors who stayed away from the polls without a valid excuse, were to lose their electoral rights for five years.

Polling was supervised by normally constituted electoral councils, and foreign observers were admitted to polling stations. Fraud is thus unlikely to have occurred to any significant extent, and there have been no serious accusations to this effect. However, critics of the referendum pointed to the undoubtedly one-sided nature of the campaign, and argued also that the result may have been affected by two extraneous factors. These were, first, that the Supreme Electoral Council had announced that voting envelopes marked by the voter with his name would be considered valid, and, second, that the blue 'no' voting slips could apparently be discerned underneath the envelope. Even if one allows that these considerations had some effect, it could only have been marginal.

In 1961, when the ruling junta, The National Unity Committee which had overthrown the Democratic Party government of Adnan Menderes in the coup of 27 May 1960,[2] submitted a new Constitution to a referendum, the campaign had also been one-sided, with one muzzled critic falling foul of the authorities for saying 'look me in the eye if you want to know what I really

[2] For background, see Geoffrey Lewis, 'Turkey: the end of the First Republic', *The World Today*, September 1960.

think, but cannot say'. Moreover, the entire parliamentary strength of the dissolved Democratic Party had been eliminated from the contest: three of the party's leaders had been hanged, and most of its MPs sentenced to long terms of imprisonment. Nevertheless, there were some 4 million votes against the Constitution, and 6 million in favour of it.

This parallel suggests that repression and the fear of it are not a sufficient explanation of the overwhelming nature of the endorsement of the 1982 Constitution. Other reasons suggest themselves: some electors may have been positively in favour of the new Constitution, others may have been influenced by their approval of General Kenan Evren, whose image has been described as comforting and fatherly; others again may have been swayed by fear of a return to the troubled times which had preceded the military take-over. Finally, some critics of the Constitution must have concluded that half a loaf is better than no bread', particularly since Prime Minister Bülent Ulusu had been quoted as saying that a rejection of the Constitution would have meant that the electorate was satisfied with things as they were. It was, therefore, reasonable to think that rejection would have resulted in an indefinite continuation, and possibly an intensification, of military rule. As for the constitutional text itself, there was a clear distinction between the provisional articles and the permanent ones, the former attracting most criticism.

The provisional articles

There was much criticism in the West of provisional Article 1, under which approval of the Constitution entailed the automatic election of General Kenan Evren as President of the Republic for a seven-year term. Under provisional Article 2, the other members of the National Security Council were after the election of the first Parliament to hold office for six years as members of a presidential advisory council, which would then be wound up. Under provisional Article 4, the chief officers of the two main former political parties and those of their former members of Parliament, against whom judicial proceedings had been instituted, were banned from standing for national or local elections for ten years, while other members of Parliament of the two parties were banned for five years from holding senior party office. (Under this provision, Professor Feyzioglu, leader of the small Republican Reliance Party, whom the generals had considered as a possible Prime Minister after the coup of 12 September, would be free to stand for Parliament.) Under provisional Article 9, during a six-year period after the election of the new Parliament, constitutional amendments would require the support of three-quarters of its membership to override a presidential veto. (Under Article 175 of the Constitution proper, a majority of two-thirds would thereafter be sufficient for constitutional amendments except that, under Article 104(a), the President may refer any constitutional amendment to a referendum.) Finally, provisional Article 15 grants the National Security Council, its governments, and the Consultative Assembly full retrospective legal immunity.

It has been argued that the size of the vote in favour of the Constitution has

shown that it was unnecessary to combine a vote for the Constitution with a vote for General Evren, and that the popularity of the latter had unfairly rubbed off to the advantage of the former. However that may be, it is logical to suppose that in devising transitional arrangements, the ruling Turkish generals had taken into account the experience of their predecessors after the coups of 27 May 1960 and 12 March 1971.

In 1961, the majority Democrat Party was dissolved, and other political parties were subjected to repeated military threats. They were first forced to sign a joint declaration in support of the aims of the coup; they were then forced again to support jointly the candidature to the presidency of the republic of General Cemal Gürsel, the leader of the junta. A third threat forced the political parties to form a coalition government. The question of an amnesty for the imprisoned leaders of the Democratic Party bedevilled Turkish politics for years. The quick re-emergence of enemies of the coup created dissatisfaction in the ranks of the armed forces, and this dissatisfaction inspired the two unsuccessful coups, on 22 February 1962 and on 20 May 1963, both led by the Commandant of the Military Academy, Colonel Talat Aydemir (who was finally hanged together with his chief lieutenant). Members of the 1960 military junta, who were not purged in November of the same year when the generals resumed control of the armed forces, were made life Senators, and were a cause of contention in Turkish political life during the twenty years that followed. However, the clumsy attempts of the Turkish armed forces to control political life found favour at the time with most Turkish intellectuals, who had been opposed to the Democratic Party, dreaded its successors and supported the main beneficiary of the coup—the Republican People's Party.

In the years which followed the more limited military intervention of 12 March 1981, the armed forces struggled to impose their will on Parliament and succeeded only in procuring a number of constitutional amendments, which did nothing to prevent a new and more widespread outbreak of violence, when martial law was lifted and free elections were allowed again in October 1973. Earlier in the same year, the armed forces failed to secure parliamentary approval for the election to the presidency of the republic of their candidate, the Chief of the General Staff, General Faruk Gürler.

In view of this past experience, the leaders of the Turkish armed forces may have thought that the transitional arrangements embodied in the 1982 Constitution provided a neater means to their aim of safeguarding the order which they had imposed on the country. Whether the constitutional instrument which they have devised will be more successful than the 1973 amendments in containing dissension in the country and ensuring its orderly progress remains, of course, to be seen.

The new Constitution

The main framework for the government of the country, which the new Constitution sets out, is orthodox and liberal in its conception. A directly elected Parliament, reduced from two to one Chamber and with its term ex-

tended from four to five years, will be free to legislate, to sustain the government in office, control and, if need be, force it to resign. The President of the republic will (after the end of General Evren's term) be elected by Parliament for a period of seven years, as was the case under the previous Constitution. However, now he will not have to be a member of Parliament at the time of his election. This will obviate the old subterfuge of appointing a distinguished outsider as Senator before electing him to the presidency. As was the case before, the President will be able to refer laws back to Parliament for reconsideration, although in the end the will of Parliament will prevail. The President will also be able to summon and chair Cabinet meetings, in particular when a state of emergency or martial law is to be proclaimed or decrees issued which have the force of law. However, all these executive instruments require parliamentary ratification. The President will have in his gift a number of independent appointments—of some judges to High Courts (the Constitutional Court, the administrative Council of State, the Military Court of Appeal, the governing body of the judiciary etc.), of members of the newly instituted State Supervisory Council, of the Council of Higher Education and of university rectors. Under the old Constitution, the President could dissolve Parliament, at the request of the Prime Minister, if two governments fell and the third received a vote of no-confidence—all within the space of eighteen months. This cumbersome provision could never be operated, and parliaments unable to sustain stable governments could nevertheless serve out their terms. Now, the President will be able to order new elections, if a government falls and no successor can be formed within forty-five days. The threat of dissolution carries particular persuasion in Turkey where elections are an expensive business, not only for the parties, but also for individual candidates. Generally, the limited enhancement of presidential powers should restrict the political patronage of governments and the operation of the spoils system, which was not, in the past, restrained by any constitutional conventions. It will also allow the executive to act more quickly and decisively in times of crisis. While both these aims and the means to reach them seem reasonable, much will depend not only on the personal qualities of General Evren and his successors in the presidency, but also on the degree of understanding between the President and Parliament, since the latter will continue to make and break governments.

A stronger independent President will be one element in limiting the effect and scope of party politics. The same aim is served by a number of more controversial constitutional provisions. These ban any kind of political activity by trade unions, co-operatives and professional associations, which are allowed to serve only their primary aims of association. Not only civil servants, members of the judiciary and of the armed forces, but university teachers and students may not become members of political parties. Party members must be at least twenty-one years old, and parties may have no youth branches, women's branches or affiliated bodies.

The generals have acted on the widespread view that, before the coup,

Turkey had suffered from an excess of politics—from the politicization of the civil service, the universities, trade unions, co-operatives and professional associations. The Turkish armed forces have traditionally insisted on national unity and seen themselves as its guardian. Party politics are, however, of their nature, divisive; and the exercise of many rights—the right to strike, for example, or to demonstrate, the right to a free press—also frequently lead to divisions in society. To contain this danger, the 1982 Constitution insists repeatedly on the limits of the rights which it recognizes.

Human rights

Most of these limits are not new, as they had been introduced in 1971, when the 1960 Constitution was amended at the instance of the armed forces. Following these amendments, the 1982 Constitution sets out the general limits of basic rights and liberties as follows:

> 'Basic rights and liberties can be limited by law, in conformity with the letter and spirit of the Constitution, for the purpose of defending the indivisible integrity of the state, as a country and a nation, of defending the republic, national security, public order, general tranquillity, public good, public morals and public health, and also for special reasons specified in the relevant articles of the Constitution.
> General and special limitations of basic rights and liberties may not be contrary to the requirements of a democratic social order and may not be used outside the scope of their original purpose.' (Article 13, paras 1 and 2.)

The Constitution refers to these limits in the articles defining the right to form political parties and trade unions, the freedom of the press, and the operation of broadcasting as an impartial public service.

Subject to general and specific prohibitions, the 1982 Constitution is generous in recognizing personal, social and economic rights—from the right to privacy to the right of consumers to public protection. Prohibitions are in all cases to be regulated by law, which is to be administered and interpreted by the courts. Torture is specifically banned, and the state is made liable for damages for wrongful arrest.

Does the Constitution take back with one hand what it gives with the other? Or is it being realistic in foreseeing exceptions to general rules? Earlier Turkish constitutions could appear more liberal, by being more general in their provisions. Thus the first Ottoman Constitution of 1876 found it sufficient to say: 'All Ottomans have the right to personal freedom and the duty not to infringe the rights and liberties of others' (Article 9). The first Republican Constitution of 1924 expanded this into: 'Every Turk is born free and lives free. Freedom encompasses all actions that do not harm others. Freedom is a natural right, and its limit is the freedom of others. This limit can only be established by law' (Article 68).

In spite of these general assertions, political freedom was almost totally absent until genuine parliamentary rule was established in 1950. It was the deci-

sion of the fathers of the 1961 Constitution to specify rights and liberties which led to the amendments of 1971 and the more stringent limits set in the 1982 Constitution. The 1961 Constitution had departed from classical liberal concepts in two main respects: it entrenched the principles of Atatürk, and, above all, secularism; and it laid stress on the social function of the state. This introduced certain new restrictions. Thus 'the use of the right to property may not be contrary to the interests of society' (Article 36), or the right to settle anywhere in the country 'may be limited by law when there is a need to implement social, economic or agricultural development. . .' (Article 18).

The authors of the 1971 amendments sought to parry the dangers of instability, disorder, sedition and secession. The same fears inspired the authors of the 1981 Constitution who, in addition, have tried to prevent a recurrence of the troubles which earlier amendments had not stopped.

Dangers in view

Kurdish nationalists had undoubtedly profited from the freedoms granted in the 1961 Constitution and from the instability which followed its promulgation. The 1982 Constitution is determined to give them no loophole. In addition to the general references to the 'indivisible integrity' of the country, there are specific provisions designed to prevent any recrudescence of Kurdish nationalist activity. Thus 'A language banned by law may not be used to express or publish thought' (Article 26); it may not be used in any publication (Article 28); subject to international treaties (and, primarily, the provisions on minorities in the Treaty of Lausanne), 'no language other than Turkish may be taught to Turkish citizens as their mother tongue in institutions of education and instruction' (Article 42).

These provisions are bound to drive Kurdish nationalism underground, where it will join the other enemies of the Turkish republic: Islamic fundamentalism and Marxism. The Constitution repeats the old secularist provision according to which 'No one may exploit or abuse religion . . . for the purpose of seeking to base the social, economic, political or legal order of the state, even in part, on the rules of religion' (Article 24). But if religion has no rights as against the state, the state has rights in the realm of religion: 'Instruction in religion and morals is subject to the supervision and control of the state. Instruction in religious culture and morals is compulsory in primary and secondary schools' (Article 24, paragraph 4). The department of state in charge of Muslim religious institution (the Presidency of Religious Affairs) is to direct its work in conformity with the principle of secularism and aim at national unity and solidarity (Article 136).

As for Marxists, they are banned under the old definition prohibiting any attempt 'to establish the sovereignty of one social class over other social classes'. They could also, of course, come under the general ban on activities against 'rights and liberties established in the Constitution' (Article 14).

After the coup of 12 September 1980, the Turkish generals banned the Marxist trade-union federation DISK (Confederation of Revolutionary Trade

Unions), and put its leaders on trial. But the older, non-political federation Türk-İş was allowed to function. Türk-İş supported the Constitution after a provision banning the check-off of union dues from wages at source was deleted from the constitutional draft. The final text of the Constitution allows union activity and strikes, but brings a number of restrictions. No one may become a union official unless he has been employed as a worker for at least ten years; employment may not be made subject to membership or non-membership of a union; no one may be forced to join, remain in or leave a union (Article 51). In addition, unions may not join in political activities; union activity does not justify failure to work in a place of employment; unions are subject to state administrative and financial control and must keep their funds in state banks (Article 52). Strikes and lock-outs must not offend good faith, harm society or destroy national wealth; unions are responsible for damage occasioned by strikes; strikes and lockouts may be forbidden or postponed by law, and are then resolved by compulsory arbitration; political, solidarity and general strikes and lock-outs are banned, as are the occupation of premises, and protest actions having the effect of slowing down or reducing production; strikers may not obstruct workers willing to work (Article 54).

Conservative stamp

The provisions on strikes bring out the character of the Constitution as a conservative document. It grants rights and liberties within strictly defined limits. It is liberal in its respect for the division of powers and the surbordination of administrative action to the control of an independent judiciary. It also defends the established order. Can it ensure orderly progress for Turkey? Atatürk's conception of secularism confined religion to the individual conscience and to places of worship. Will the new Constitution succeed in confining politics to recognized political parties, to their meetings and to Parliament?

The new order will be tested even before the new Parliament is elected. In the first half of 1983, political parties are due to be formed under a law still to be passed by the Assembly. A new press law and a new electoral law will be enacted before general elections are held in the autumn of 1983 or the spring of 1984 at the latest.

The new laws will be controversial; the ban on the old political leaders will not be easy to enforce, and attempts at enforcement might well be damaging. Above all, the new parties, however carefully and positively they are vetted, will give vent to existing discontents and strain national solidarity. At present, political discontent seems to be confined to groups of dissident militants and to the intellgentsia. Religious discontent is bound to be more widespread, but the Turkish state knows how to control it. One must assume that economic discontent is more widespread still. Untrammelled by Parliament or by strikes, the government of Mr Bülent Ulusu has been able to implement the deflationary programme announced by the civilian government, that of Mr Süleyman Demirel of the right-of-centre Justice Party, some eight months

before its overthrow. Inflation has been cut from approximately 100 to below 30 per cent, exports have grown, as has the economy as a whole by a respectable 4 per cent in 1981 and probably a similar amount this year. But the standard of living (certainly of salaried staff, and also of many workers and farmers) has dropped, and will drop again if inflation is to be reduced further. Unemployment, unquantifiable in a society which is still largely agricultural, is high and will remain high, particularly as the population is continuing to grow by over 2 per cent or approximately a million souls a year. Tight-money policies have led to many bankruptcies—the state has rescued some firms, while in other cases, as in the collapse of the Kastelli financial house, small investors have suffered heavy losses.

There may be no alternative to the economic policies pursued today in Turkey. But while the International Monetary Fund fears that they may be eroded by political pressures, their maintenance will pit the Turkish government against increasingly vocal critics at home. Political pressures, which will build up after the formation of the new parties, will also create difficulties for Turkish foreign policy, since political parties can seldom resist the temptation of competing in nationalism. The Turkish generals, for all that they have excercised a pro-Western option, are staunchly nationalist in a cool and calculating way. This will not save them from accusations of having endangered 'the true interests of the nation'. It will thus not be easy to limit political and social conflict to the polite framework set out in the new Constitution. The challenge of dissenters can, in any case, force the generals to take repressive action which may spoil the atmosphere for the inauguration of the new constitutional edifice.

Nevertheless, all the indications are that the commanders of the Turkish armed forces will persevere with their plan for the resumption of parliamentary government. The support which they have received in the referendum will encourage them in the belief that they have satisfied the public longing for order, and that they are trusted to introduce as much freedom as public order will stand. To the outside world they have proved that they can be taken at their word. This makes it all the more important to understand what that word is.

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Note of the month

THE CARICOM SUMMIT

THE Third Heads of Government Conference of the Caribbean Community (CARICOM) took place at Ocho Rios in Jamaica between 15 and 18 November 1982. It was a highly significant event in the affairs of the Caribbean because it was the first meeting of the governing body of CARICOM to have been held in seven years. Since the previous meeting, no less than five of the twelve member states of the Community, Dominica, St Lucia, St Vincent and the Grenadines, Belize, and Antigua and Barbuda, had achieved political independence. Two heads of government, Dr Eric Williams of Trinidad and Tobago and Robert Bradshaw of St Kitts-Nevis, had died and six others were no longer in power, one of them, Eric Gairy of Grenada, having been overthrown by revolution in 1979. The intervening years had also seen a number of significant changes in the politics of the Caribbean. The region had become an arena of geopolitical competition between the major powers, resulting in a sharp increase in the level of military activity taking place in the area. Dormant territorial claims upon two CARICOM member states had been revived, whilst allegations of other forms of outside interference and intervention in the internal affairs of regional countries had become relatively commonplace. A greater heterogeneity, referred to within the region as 'ideological pluralism', had also emerged in the social, economic and political systems of Commonwealth Caribbean states as they struggled in different ways, some more left-wing, others more right-wing, to achieve more secure development in the face of the deepening world recession. In these altered circumstances, the pursuit of regional integration, the *raison d'être* of CARICOM, had languished. All in all, there was plenty for the heads of government to discuss.

The most contentious issue of the Conference concerned the position of Grenada under its new revolutionary government. Since coming to power over three years ago, the government of Maurice Bishop has attracted an extraordinary degree of international opprobrium by the resolute pursuit of policies that are inwardly socialist and outwardly nationalist. The United States, in particular, has gone to considerable lengths to demonstrate its hostility to the revolutionary regime. This has produced unease within the Commonwealth Caribbean which is united in its desire to prevent discrimination against a fellow regional state by outside powers, but is at the same time generally suspicious of Grenada's close alliance with Cuba and its professed abandonment of the Westminster model of democracy in favour of a form of participatory democracy, hitherto undefined in any detail. In this connexion, the conservative Prime Minister of Barbados, Tom Adams, proposed in the months before the November summit that the region's leaders should consider changing the CARICOM Treaty so as to commit its members to the maintenance of parliamentary democracy and the defence of human rights.

His suggestion was immediately supported by the Jamaican Prime Minister, Edward Seaga, who like Adams is a close Caribbean ally of the United States government. At the conference, Adams formally proposed an amendment to the Community Treaty which would have committed member states 'to the principle of political liberty and the protection of the fundamental rights and freedoms of the individual through adherence to the principles of the rule of law and practice of free, fair and regular elections.' Bishop retorted that fundamental human rights should also be deemed to include the right to life, a job, education, good roads, electricity and piped water. The debate was only resolved by means of private dialogues outside formal Conference sessions in which it seems that the new Prime Minister of Trinidad and Tobago, George Chambers, was particularly influential. Chambers reported that Bishop had personally given him an undertaking to hold elections in Grenada, although not necessarily of a Westminster type; added to which during the Conference the Grenadian government released some twenty-eight political detainees in a move obviously designed to defuse further criticism of its record by Adams, Seaga and their supporters. In the event, the Conference decided to make no alterations to the CARICOM Treaty but to adopt instead a statement on human rights to be known as the Declaration of Ocho Rios. It omitted the original Barbadian call for free and fair elections and specifically included the Community's commitment to 'the political, civil, economic, social and cultural rights of the peoples of the region', as well as to the concept of ideological pluralism and the right of all states to choose their own path of development. Within the Caribbean, the agreement has been interpreted as a victory for Grenada and a defeat above all for the United States which many believe to have been the instigator of the whole manoeuvre. It has been noted that the idea of trying to force Grenada out of CARICOM emerged only after President Reagan's visit to the Caribbean in April last year and that there was an unusually strong US diplomatic presence in Ocho Rios during the summit. Some commentators have even cast doubt upon the seriousness with which Adams and Seaga actually put the proposal for a revision of the CARICOM Treaty to the Conference.

The peace and security of the Caribbean was the other major political issue to preoccupy the Conference. The heads of government called for international action to control the activities of mercenaries, expressed their concern at the heightening of tension in the region caused by the recent intensification of military manoeuvres in the Caribbean, but were understandably most alarmed by the threats of direct aggression made by outside powers in pursuit of territorial claims against two Commonwealth Caribbean states, Belize and Guyana. As was expected, the meeting reaffirmed its traditional support for the territorial integrity of Belize, attacking the Guatemalan government for reneging on its promise to abandon the dispute. Concern exists in the region about the extent of Belize's dependence on the protection of the remaining British garrison, but there is little enthusiasm for the establishment of a regional or Commonwealth security force to assist and no expectation, given

the general orientation of the Reagan Administration to the process of political change in Central America, that the United States can be induced to bring pressure upon the right-wing Guatemalan government to drop its claim upon Belize. In this context, Commonwealth Caribbean governments remain sceptical of Guatemala's very recent announcement of an apparent modification of its long-standing claim.

The same condemnation was not, however, applied to Venezuela, which is again actively pursuing its claim to some two-thirds of the territory of Guyana. To the disappointment of the Guyanese President. Forbes Burnham, the final Conference communiqué noted the 'unqualified undertaking' of the Venezuelan government to eschew the use of force in connexion with the dispute and merely urged the two countries to 'continue their pursuit of a peaceful settlement of the controversy in accordance with the terms of the Geneva Agreement of 1966', thereby contravening the Guyanese position that to accept any suggestion of negotiations is to lend credibility to the Venezuelan claim. The reasons for the adoption of this conciliatory stance are twofold. The first is the extent to which several CARICOM countries have come to rely on Venezuelan economic assistance. This is provided not only via soft loans under the San José oil rebate agreement, of which Barbados and Jamaica are beneficiaries, but also through a range of grants and bilateral loans to almost every member of the Community except Trinidad and Tobago and Guyana itself. The second is the appalling human rights record of Burnham's own government which has by now been well documented. Despite all the attention given to Grenada in this context and the publicity generated by open letters written by human rights pressure groups to all the heads of government detailing the many violations of democracy in Guyana, the situation was not openly debated by the Conference—an omission which has aroused criticism—but did undoubtedly contribute to the reticence with which the other Commonwealth Caribbean leaders endorsed Guyana's resistance to Venezuela's demands.

The considerable time devoted to these difficult political issues relegated to a lower priority the economic and functional matters which are the essence of CARICOM as a regional institution. Since the heady days of its establishment in the early 1970s, CARICOM has stagnated. In the Ocho Rios Declaration, the heads of government reiterated their 'belief that the regional integration movement is the only viable option available for the optimal development of all the human and natural resources of the region', but they have yet to demonstrate the political will required to 'deepen' the level of integration beyond the institution of free trade. Indeed, a lot of discussion was needed to reach agreement on the re-establishment of the trade regime which had been breached both by the imposition of quantitative restrictions on the import of some goods by member states and by violations of the rules of origin governing the removal of tariffs. Beyond this, efforts to establish schemes of regional industrial programming and to implement the region's so-called food and nutrition strategy were ritually supported, as they have been before, and

a decision was taken to prepare a comprehensive regional energy plan designed to promote security of intra-regional supplies and develop feasible alternative sources of energy. What will be achieved remains to be seen.

In the area of functional co-operation within the Commonwealth Caribbean, the Conference did, however, advance matters in two important ways. It endorsed the proposal of the council of the University of the West Indies to give more autonomy to the component campuses of this long-standing Caribbean institution as the price of maintaining its regional character, and it set up a high-level ministerial committee to examine all aspects of the rationalization of air transport in the region. This is a thorny chestnut in the context of the Caribbean, where several local airlines compete in a wasteful and inefficient way. If the spirit of compromise displayed on this issue at the Conference is maintained, the way will at last be open for the Trinidad government-owned British West Indian Airways to be named the official regional air carrier of the Commonwealth Caribbean.

In summary, the general evaluation of the Conference within the Caribbean is that it was a success. CARICOM did not fall apart on the issue of ideological pluralism, as some had predicted. Useful decisions were taken, although of course in other areas problems were sidestepped. It will clearly take more than one moderately constructive summit meeting to revive the process of regional integration in the area and, indeed, it may be that national policies within the region will have to be reoriented more towards development and independence before the regional movement can make its full contribution. Nevertheless, CARICOM will need to be there as and when that moment arrives and, in this sense, the most important decision taken by the Conference was to meet again in Trinidad in July this year, the tenth anniversary of CARICOM's establishment.

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Europe and America: economic and monetary relations

OTMAR EMMINGER

Relations since the Second World War

THE Marshall Plan was, of course, the beginning of organized economic relations between Western Europe and the United States after the Second World War. This was the period of absolute economic preponderance of the United States, a preponderance which inspired the Americans to very generous and very successful leadership. This one-sided preponderance has in the meantime faded away, although not in every respect—suffice it to mention the nuclear umbrella which the United States is holding over the Western world. In general economic and trade matters, however, we are now living in a multipolar world, with North America, Western Europe and Japan as the decisive triangle (which together are responsible for about two-thirds of world trade).

Even after Europe had recovered from the war and had to a large extent caught up with the United States, a European inferiority complex with regard to American economic and technical superiority lingered on. It found its most eloquent expression in Servan-Schreiber's book *Le défi américain* (The American Challenge) of 1967, which was based on the assumption of a persistent technological and managerial gap between Europe and the United States.

In the meantime, the former American technical superiority disappeared in the older industries, such as automobiles, steel, consumer electronics etc. But the United States is still ahead of Europe in new highly advanced technologies, such as microelectronics, computers, biotechnology etc., even though in some of these fields it has difficulty in holding its own against Japan. And there exists, of course, a continuing American advantage in natural resources, particularly in agriculture (where the United States, with 3 per cent of its labour force working in agriculture, is the world's largest exporter of agricultural goods, while the ten EEC nations, with nearly 8 per cent working in agriculture, are one of the largest net importers). Thus, it is not surprising that the United States, although it always runs huge structural deficits in its total merchandise trade, usually has large trade surpluses with Western Europe, not only in agricultural goods and raw materials but also in industrial goods. In some recent years (1979/80), this American export surplus with Western Europe was even considerably bigger than the enormous and well-advertised American trade deficit with Japan—something which bilateralists and advocates of 'reciprocity' should ponder upon.

Dr Emminger, who is Chairman of the Deutsche Pfandbriefanstalt, was Governor of the German Federal Bank (1977–9), a Governor of the IMF (1977–80), Vice-Chairman of the EEC Monetary Committee (1958–77) and Chairman, OECD Monetary Committee (1969–77). This is the revised text of his lecture at the Royal Institute of International Affairs last November.

At present, the commercial relations between the United States and Europe—or more specifically with the EEC countries—are under a cloud because of trade disputes, such as the sanctions in connexion with the Soviet pipeline, the controversy over the EEC's agricultural system, and some specific trade problems. A recent EEC report has attempted to play the matter down by saying that recent or pending disputes over agriculture, steel, petrochemicals etc. affect only about 5 per cent of total trade between the EEC nations and the United States. But I do not think that the significance of these disputes can be measured, and played down, by using merely such a statistical criterion. Sometimes these disputes have their roots in fundamental differences of view which may spill over, and have spilled over, into the political field. This is, of course, particularly true of the so-called 'family dispute' over the American pipeline sanctions. Fortunately there is now 'some light at the end of the pipeline'. And it would be all to the good if it were to lead among the allies to a common perception of the nature of the Soviet threat, of what to do about it in the economic field, and of the general problem of using sanctions for political purposes.

On top of these particular trade disputes we have, unfortunately, on both sides of the Atlantic a general upsurge of protectionism. In most cases, it is not aimed against any particular items of trade between America and Europe (it is more often aimed at the aggressive Japanese competition). But some manifestations of this new protectionism, like recent French ministerial statements, are a threat to the very principle of multilateral free trade. This cast a shadow over the GATT Ministerial Conference at the end of November.

The causes of this upsurge of protectionism are well known:

— first, large structural changes in the world economy which require major adjustments in the 'old' industrial countries;
— second, the world-wide recession, which makes such adjustments particularly difficult and painful, and which, with its record number of bankruptcies and high unemployment, provides incentives and pretexts for protectionist moves;
— and, third, obstinate payments deficits (like in France) and distorted exchange rates.

Distorted exchange rates

Over the last few years, distorted exchange rates have been one of the principal causes of 'trade frictions' and of the call for protection. By far the most glaring example has been the large undervaluation of the Japanese yen against the dollar, with indirect effects also in Europe. Since February 1981, the yen has gone down even more than the D-mark against the dollar, and it is generally acknowledged to be undervalued by 20 per cent or more (acknowledged—and disliked—also by the Japanese). In view of the excellent Japanese performance concerning the payments balance on current account and the inflation rate, this undervaluation can only be explained by the huge

apital outflows from Japan which have been engendered by the large interest ate gap between Japan and the United States. Would anybody criticize the Japanese for having maintained an interest rate level between 6½ and 8½ per cent in the face of an inflation rate of about 3 per cent? So I would agree with the conclusion of Mr Kenneth King in his recent interesting Chatham House Paper on *US Monetary Policy and European Responses in the 1980s*,[1] namely that the responsibility for the undervaluation of the yen lies more with the unnaturally high American interest rates, and that European concern about excessive Japanese competitiveness should be expressed in Washington rather than in Tokyo. Where the Japanese may have made a mistake was in the timing of their measures for liberalizing capital exports, namely at the end of 1980, just when the interest rate gap was about to become extremely wide.

Distorted exchange rates have also had an enormous influence on the trade flows between Western Europe and the United States. This is true both of the undervaluation of the dollar in the second half of the 1970s and of its present overvaluation.

Dramatic change in monetary relations

Until the emergence of the Japanese yen as a power of its own in the 1970s, one could have said that the post-war history of the international monetary system was the history of monetary relations between the US dollar and a number of European currencies. The Bretton Woods System of fixed parities broke down in 1973 because some European countries found it impossible to continue to support an overvalued dollar at a fixed rate and went over to a joint float against the dollar in March 1973.

In 1973, both the Swiss and the German central banks joyfully announced that, owing to the transition to floating against the dollar, they had regained control over their domestic money supply. A stricter control of the money supply had become very important in view of the rampant inflation of the 1970s—and the German Central Bank used this newly won freedom to announce in 1974, as the first central bank in the world, an official money supply target for the next year. At that time, there were high hopes that floating would enable us to insulate our economies against inflationary and other disturbances from abroad. This was, however, quickly disproved by the first oil price shock of 1973/4. A few years later, during the period of extreme dollar weakness from 1977 to 1979, some European currencies which involuntarily served as a sort of counterpart (or alternative) to the dollar, like the D-mark and the Swiss franc, were exposed to very unwelcome repercussions in the form of over-valuation and large dollar inflows (which, however, later on proved to be a very profitable investment).

Over the last three years, monetary relations between the United States and Europe have changed dramatically. Now it is no longer the weak dollar, but the over-strong dollar which is the problem. During this recent period,

[1] Chatham House Paper No. 16, published by Routledge and Kegan Paul, London, for the Royal Institute of International Affairs, June 1982.

American monetary policy and the exchange rate of the dollar have exercised a tremendous influence on the European monetary and economic situation. It was a return to the Pax Americana, at least in the monetary field. The dollar has reverted to its pivotal role as *the* key currency of the system. The much-discussed Substitution Account for the dollar has been shelved. The multi-reserve currency system has been reduced, temporarily at least, to a marginal feature (although 12 to 13 per cent of foreign-exchange reserves are still held in D-mark).

There is a peculiar irony in the fact that the dollar is at present greatly overvalued. In the final years of the Bretton Woods fixed-rate System, it had been one of the main American complaints that, owing to this system, the dollar had become 'locked in' at a grossly overvalued rate (Secretary of the Treasury W. Simon; recently repeated by Mr B. Sprinkel). Now the freely floating dollar finds itself hoisted into a similar position of overvaluation. But this time it is a voluntary development, and relief from this position is entirely in American hands, i.e. through a lowering of interest rates. It is now the other side, the Europeans and Japanese, who are complaining about it—although pretty soon the Americans will complain no less, because of the very deleterious effects on their competitiveness.

Dollar's present overvaluation

There can be little doubt that there exists some overvaluation of the dollar also against a number of European currencies, including the D-mark, though of a lesser magnitude than in relation to the yen. Just a few indications: Against a representative group of other currencies, the 'real' (inflation-adjusted) value of the dollar is now 15 to 20 per cent higher than in 1972—when most observers held the dollar to be overvalued. Against the D-mark alone, the dollar was clearly undervalued when it was worth DM 1·73 at the beginning of 1980, but its rise by about 50 per cent to its present value of DM 2·55–2·60 (while German prices over the same time rose less than American ones) makes it appear equally clearly overvalued. What do I mean by 'overvaluation'? The dollar is not overvalued in terms of the market factors of the moment—here 'the markets are always right'. But in the sense that the present rate is very much out of line with medium-term fundamentals, e.g. cost and price differentials or the prospective development of the payments balance on current account, so that the overvalued rate is likely to be reversed sooner or later.

People have adduced all sorts of explanations for the surprising strength of the dollar, surprising in view of the rapidly declining export competitiveness of the United States. Political and psychological factors are being quoted, the safe-haven aspect is being invoked. But there are quite good explanations based on some clear-cut economic factors. The key seems to me to lie in the very unnatural combination of American recession and very high interest rates. The recession has dampened imports so that the American payments balance on current account continued until this summer to show surpluses even when the

strong dollar began to sap exports. As a matter of fact, in 1981 the US current account surplus was at least as high as the Japanese one (about $4·5 billion). This contrasts with the current account deficit of the EEC countries which was $17 billion in 1981 and may be over $10 billion in 1982. At the same time, America has attracted large capital inflows from all over the world, not just because it has become a safe haven for refugee funds, but also because both its nominal and real rates of interest are—to this day—considerably higher than those of Switzerland, Japan, West Germany and Britain, the possible alternative safe havens. In spite of the very welcome reduction of American short-term interest rates since last July, the 'real' (inflation-adjusted) rates on medium- and long-term funds have hardly declined from last year's excessive levels—an unprecedented development in a protracted recession! It is true that the total US capital balance has up to now shown no net surplus—the capital inflows from Europe and Japan have been compensated by other outflows, but this equilibrium in the capital balance has only been achieved at a higher dollar rate. These two reasons—American recession and high real medium- and long-term interest rates—should be a passing phenomenon. There is a third, and probably more lasting reason for the strong dollar, namely the unexpectedly great success in reducing the American rate of inflation to about 5 per cent—that is to say, to a level similar to that in Germany and Switzerland, although still above the Japanese figure.

How dependent is European monetary policy?[2]

The new American monetary policy which was introduced in October 1979 has been a turning point in the economic relations between the United States and the rest of the world. This American policy has ushered in a period of world-wide disinflation as well as a period of historically high real interest rates over the whole field of international indebtedness. The world economy and, in particular, countries with large external debt, are still aching under the burden of adjusting to this change from the inflation and zero real interest rates of the 1970s to this fundamentally new economic and monetary environment.

The essence of the new American monetary policy has been a deceleration of money growth in order to bring down inflation. Its outward manifestations were very high and very volatile interest rates, both on an unprecedented scale.

I can be brief as concerns the volatility aspect. The story of the wild gyrations of American short-term interest rates—with sixty-five changes in the prime rate in the two years 1980/81 against thirty-three changes in the thirty years from 1940 to 1970—is well known, as is their disturbing effect on exchange rates. I have never believed that this extreme volatility was an inevitable accompaniment to an effective anti-inflation policy. I also had never much confidence in the definition of 'money' used by the Federal Reserve (which now has turned out to be definitely misleading). On the basis of our own German experience of monetary targeting, I was very suspicious of the assumptions of the

[2] In view of the great differentiation of the monetary situation in various European countries, I am going to argue mostly on the basis of German monetary experience.

Federal Reserve concerning the velocity of the narrowly defined money supply; now it has turned out that in 1982 the velocity has been declining while the 'Fed' had counted on an increase—so that in terms of the aimed-at increase in total nominal demand the 'Fed' has not overshot but dangerously undershot its target. But let bygones be bygones. In my view, the period of extreme volatility of American interest rates lies behind us. After having broken the back of the inflation, the Federal Reserve is no longer in need of establishing its credibility by being obsessed with every temporary bulge in the money supply; and it has recently shifted officially to a 'practical' or pragmatic monetarism, which seems to be moving in the direction of the kind of monetarism which we have practised in Germany from the beginning. Thus lower inflation is likely to entail not only lower interest rates but also less volatile interest rates.

Short-term volatility and uncertainties for foreign exchange transactions are one thing. Much more important have been the problems created by high American interest rates and the consequent high dollar rate for the economic policy of European countries and, in particular, for their monetary policy. How dependent is European monetary policy on American monetary policy? Over the last few years, this has become a vital question—vital for economic policy and business activity in Europe. (Recently this question assumed a certain political flavour in Germany when ex-Chancellor Schmidt suddenly attacked the Bundesbank, alleging it had not fully used its margin for lowering interest rates.)

American experts—e.g. the Federal Reserve's Governor, Henry Wallich—have repeatedly maintained that flexible exchange rates ought to enable European countries to insulate ('uncouple') themselves to a large extent from unwelcome effects of American monetary policy. Europeans could—it is argued—easily accept the ensuing high dollar rates since the resultant imported inflation would be small; merchandise imports from the United States represent after all only 6 to 8 per cent of total European imports (in Germany, 7·7 per cent). But that is not the whole story. Important commodities are priced and traded in dollars on the world markets. In Germany, for instance, the proportion of imports invoiced in dollars is about 35 per cent, and the influence of dollar prices goes beyond that. The proof of the pudding is in the eating: when in August 1981 the dollar rose to its first peak against the D-mark (DM 2·57), German import prices shot up 20 per cent year-on-year, with a strong impact on the German domestic inflation rate. Thus, monetary policy in Germany, but also in Britain and other countries, was put before the dilemma—in the words of the Bank of England—'of accepting either higher interest rates themselves, with harmful consequences for economic growth, or a fall in their exchange rates with harmful effects on inflation'.

Of late, there has been some relief in this external restraint on European monetary policies: on the one hand, because of the decline in American interest rates, on the other hand, because the dollar prices of many commodities have declined; on the basis of one widely used index—by 6 per cent over the last twelve months. Thus, the recent upsurge in the dollar rate has up to now

10t had quite the same dramatic effect on our import prices as in 1981, when a ising dollar exchange rate coincided with rising dollar prices for oil and some)ther commodities. But the dependence of European monetary policy is not :ntirely over: when the German and some other European central banks ecently lowered their interest rates rather boldly, the dollar made an upward ump. The difference in nominal and real interest rates between Germany and he United States is still between 2 and 4 per cent. How much money flows out)f D-mark assets into dollar assets at a particular interest rate difference lepends, of course, also on political and psychological factors, apart from :xchange-rate expectations. But an indication that the primary factor has been he interest rate differential can be seen in the fact that—up to a few weeks igo—the Japanese yen had dropped even more against the dollar than the)-mark and the Swiss franc, although the psychological factors often adduced or the weakness of the D-mark had been absent in the case of Japan. When ong-term interest rates in Japan began to rise since August—contrary to the novement in Europe—the Japanese yen soon showed more strength. I would onclude that we will not regain full monetary autonomy until the 'unholy llliance' of recession plus high real interest rates in the United States is over.

I do not want to be misunderstood. We cannot blame everything on the Americans and their interest rates. Our monetary policies would be more ndependent if our domestic performance were better, that is to say, if we had 1ot overlarge budget deficits which burden the capital market, and if our lomestic cost factors (wages, taxes etc.) were lower. In the final analysis we nust earn lower interest rates ourselves. Here again a glance at Japan's xample is instructive: for quite a long time the Japanese were able to hold heir interest rate level at a much greater distance from the American level than the Germans, and in spite of a larger yen depreciation they managed to keep the inflation rate down to 3 per cent. Only now, when their domestic budget ran into a sort of crisis, Japanese interest rates have begun to rise—contrary to the trend in the United States (and Europe).

Outlook

High real interest rates in the United States, and the consequent high dollar rate with its effect on European import prices, present a major challenge to the Europeans. The most appropriate response is quite certainly to match and to surpass the American performance as concerns domestic stability. This is the more urgent as we cannot exclude the possibility that the United States has definitely beaten inflation and that a longer period of greater stability in the dollar area lies before us. That might lead to a new kind of 'dollar standard', with the dollar as the anchor for all stability-minded countries, although on a more flexible basis than in the Bretton Woods era.

What can we do to improve monetary relations between Europe and the United States in the future? That has been on the agenda of several economic summit conferences. To my regret, at the last summit at Versailles, the Europeans wasted time and energy on a misplaced attempt at persuading

the Americans to a scheme for joint intervention in the dollar market. 'Misplaced'—because it was an unrealistic goal anyway, and it distracted attention from the real issues, i.e. the impending international debt crisis and the lack of convergence in the underlying monetary and budgetary policies of the major countries.

At past summit conferences, there were attempts at achieving greater co-ordination of demand management, of interest-rate policies and other monetary policies. The outcome was mostly more confusing than useful. Let me state briefly, why.

First, I do not believe that there is any realistic chance of co-ordinating monetary policies between America and some European countries, at least not in any institutionalized form. How could you co-ordinate interest rate policies if the most important partner, the Federal Reserve, has no explicit interest rate policy at all, but only a money supply policy? And that a co-ordination of money supply policies presents insuperable difficulties when you have very different budgetary policies and inflation pressures, is self-evident.

Second, I do not see any realistic possibility of setting up an exchange rate target for the dollar, or to have a 'common dollar policy', e.g. among the members of the European Monetary System, except on an informal ad hoc basis in critical situations.

On such matters, I am much more sceptical than Mr Kenneth King in his recent Chatham House Paper, mentioned above. The only tenable co-ordination is one on the basis of sustained domestic stability. This has been the American view at the last Economic Summit Conference in Versailles, and I fully agree with it.

What one can rightfully ask from every important country is that it should not completely disregard the international repercussions of its domestic policies. A dogmatic monetarist policy has usually some difficulties in this respect, as it is by its nature one-sidedly concentrated on its domestic monetary effects. The United States is too important for the world economy to indulge in such a monetary isolationism, especially at a time of a world-wide debt crisis, due in part—only in part!—to the excessive real interest rates in the United States. No country can escape the responsibility of its importance. This American responsibility is particularly great in the present world economic situation where we are faced with the compound problem of recession and an international debt crisis.

What the world economy needs at present even more then a further decline of American (real) interest rates is an American lead towards economic recovery. For a relief in the present international debt crisis can only be expected if not only the interest rate burden is lowered but also the markets for the exports of the debtor countries recover. Not only the over-indebted developing countries, but also the European countries fervently hope for such an American lead. If it does not come soon, the international debt crisis may deepen the recession into a depression.

The present American shift to a more pragmatic monetarism and some signs

of an impending modest recovery in the United States justify some hope. If and when recovery comes, it will in all probability also lead to a normalization of the exchange rate of the dollar. A few months ago, the Federal Reserve Bank of New York published some estimates according to which, on past experience, the present overvaluation of the dollar could lead by the end of 1983 to a deterioration of the annual trade balance by up to $45 billion against 1980—assuming a modest economic recovery in the United States. Even if only part of that effect will come true, this will certainly swing the dollar rate around.

I would hope that this would not lead again to a roller-coaster movement from an overvalued to an undervalued dollar. The expected greater price stability in the US is likely to prevent that. The world—and Europe—needs a return to normality in every respect: in general economic activity as well as dependable price stability and more normal (and stable) exchange rates.

In the ninteenth century, international leadership in the monetary field was to a large extent provided by Britain; it was the period of the Pax Britannica. After the last World War, this responsibility has fallen to the United States. In the Annual Report of the US Council of Economic Advisers of February 1982, one of the major challenges to our system was described as follows: 'The first challenge arises from the conflict between each country's short-term internal domestic objectives and mutual longer-term external interests.' And it was acknowledged that the United States had to assume a large role in meeting such a challenge. How well has the United States fulfilled this role? In one sense, in overcoming its double-digit inflation, it has done well, and it may be in the process of providing a more stable basis for the world economy for the years to come. On another responsibility, namely helping the world to overcome recession and a threatening debt crisis, the judge is still out. For several years the world has been waiting for the US economy to extricate itself from its impasse of stagnation and recession, and to liberate itself—and the world—from excessive real interest rates. Up to now, it was like 'Waiting for Godot'. So we cannot give the United States an A for its leadership role. We can at best mark it as 'unfinished business'.

The US grain weapon: could it boomerang?

NICK BUTLER

EIGHT years ago, in a report[1] published in the wake of the oil crisis, the Central Intelligence Agency's Office of Political Research concluded that 'as custodian of the bulk of the world's exportable grain, the United States might regain the primacy in world affairs that it held in the immediate post-war period.'

In that report and elsewhere, grain was seen as a counterbalance to the oil weapon, all the more valuable because of its importance in food supply and America's predominant share in exports to the market (almost 50 per cent at the time, 30 million metric tons of wheat out of a total of 60 m.t. traded and 40–50 m.t. of coarse grains for animal feed). The atmosphere of crisis in world grain markets in the early to mid-1970s, generated by the Russian entry as importers on a large scale for the first time in 1972, and by the failure of supplies of other food crops, provided the background to the new perception of grain. In a world eager for supplies, the one country able to meet market needs must, it was thought, possess political leverage, the ability to make its customers pay a political price as well as a price in dollars.[2] The analysis was weak from the beginning, and owed more to the desperation of the search for some device to reassert 'primacy in world affairs' than to cool, logical evaluation.

Practical and moral doubts

For a nation like the United States, committed by its Constitution and political rhetoric to individual freedom, to self-determination for the countries of the Third World and to the relief of individual human suffering, including poverty and hunger, there would clearly be moral difficulties in translating the theoretical notion of denying grain supplies, or offering them selectively to friends, into actual decisions. To invoke the threat of hunger as a means of changing the policy of others would be an extreme action for a nation which, in Henry Kissinger's words, sought always to find a higher motive in its foreign policy than the assertion of national self-interest, which based its approach to international relations on morality, and found even balance-of-power concepts unpalatable. The suggestion that such a threat would be used regularly to regain and sustain primacy was so lacking in credibility as to undermine any negotiating advantage the threat might carry.

There were practical, as well as moral doubts. A denial of supplies would

[1] Central Intelligence Agency, Office of Political Research, *Potential of Trends in World Population, Food Production and Climate* (Washington, D.C., August 1974).

[2] See Alan Abouchar, 'The case for the US grain embargo', *The World Today*, July–August 1981.

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ıurt the poor and not the prosperous given the mechanics of income and food listribution in the developing world, and indeed elsewhere. The effect on policy-makers and on policy would be indirect, and very possibly negative. In a strongly nationalistic environment, resistance to an embargo would make negotiation and concessions more difficult to achieve. Unless the issue at stake was particularly clear and the US position one which commanded wide international support, an embargo against one specific country might be presented imply as an attempt by a super-power to starve a powerless nation into submission.

American strength in world markets was also somewhat overstated. Though he major supplier, America in no sense led the other grain exporting nations —Canada, Australia, Argentina and latterly the European Community (EC). Competition for shares in the world market had been and has again become ntensive. In any circumstances other than those of perceived shortage which existed between 1973 and 1975, American supplies if denied for political easons could easily be substituted by supplies from elsewhere. The nature of grain as a commodity, and of the international companies who handle the bulk of world trade means in any case that control of the destination of supplies s an extremely difficult matter.[3] Since most of the Third World counries who were potential targets for the grain weapon were not major partiipants in the international market, import needs of a few million tons per nnum at most could be met by other suppliers in the international market vithout significant difficulty. Few countries have imported more than 5 nillion tons of food and feed grain in any one year. The larger importers end to be special cases in American foreign policy thinking and planning.

In the Far East, Japan and more recently China have regularly imported as nuch as 10 million tons each of wheat and coarse grain to supplement their lomestic supplies and to sustain growing needs. As key allies of the United tates, the Japanese were scathingly resentful of the decision of the Nixon Adninistration to suspend soya bean sales in 1973—a decision taken for internal easons in the United States in an attempt to keep down soaring American ood prices. That decision opened a debate in Japan on the country's undue ependence on external suppliers in general and the United States in partiular. Attempts to repeat the embargo, for political rather than domestic conomic reasons, would undoubtedly have enhanced the pressures within apan to diversify its economic links. The maintenance of the alliance required e development of close trade and financial contacts; and measures which ould build rather than undermine confidence.

Similar considerations apply to America's other key foreign policy concern the Far East—its relationship with the People's Republic of China. With hina, the concern of American policy has been the development of a steady lationship of mutual understanding, without any attempt to force short-

[3] Two recent detailed accounts of the difficulties are to be found in Richard Gilmore, *A Poor arvest* (London: Longman, 1982), and E. Lindell, 'US Soviet grain embargoes', *Food Policy*, ugust 1982.

term policy changes. Grain supplies could indeed play a positive role in cementing this link, but as part of the development of a normal trading relationship rather than as an instrument to be used for short-term ends. Events have borne out the judgements in relation to both countries. Japan is now a regular purchaser of over 10 m.t. of American wheat and grain. Confidence in the United States as a supplier has been restored and the positive net balance of farm trade provides some offset to the otherwise adverse and contentious trade position. The grain trade is central to the gradually developing US-Chinese economic relationship and the United States now supply China with over 60 per cent of its total grain import requirements. In both cases, however, it has been the development of a commercial rather than a politicized grain trade which has assisted wider relationships. Any attempt on the part of the United States to use or deny grain sales for a paticular political motive would, it seems clear, have had a negative impact on the United States' relationship with either country.

Nor was the grain weapon ever likely to be used against the European Community. To deny grain to the Community in order to produce policy changes would be both an inappropriate and unprecedented means of dealing with close allies and also self-defeating because of the likely European response of reinforcing and expanding the Common Agricultural Policy—a policy which from its inception the US had openly and strenuously opposed.

The Soviet target

Given the specific nature of each of the United States' relationships with its key trading partners, the most cursory analysis at the time of the CIA report, and indeed at any time since, could reach no conclusion other than that the only possible target for the grain weapon was the Soviet Union—the United States' largest single customer and the only country whose purchases were of such a scale that the acquisition of alternative supplies from the international market would be extremely difficult.

If logic suggested that there were severe limitations on the political use of grain exports, events have certainly borne out the doubts.

In 1975, the Ford Administration, facing an enormous oil import bill, sought to negotiate an exchange of grain for crude oil with the Soviet Union, under the terms of which the oil would have been priced significantly below world market levels. The implicit threat—that the grain would not be supplied unless the deal was concluded—was insufficient to bring agreement. In the end, the Soviet rejection of the proposal was overshadowed by the difficulties which the US government encountered in convincing those directly involved in agricultural trade—particularly the farmers and port workers—that the policy was viable and would not damage American trade.

In 1979, grain exports to Iran were suspended, after a decade of steady growth. Beyond inconvenience, the embargo had only a minimal effect. Even amid the chaos of revolution, Iranian officials managed to demonstrate the ability of a small-scale importer to use the world market to meet its needs.

By the end of 1979 when the grain weapon was next unleashed, circumstances and market conditions had changed considerably from those prevailing in the early part of the decade. Soviet imports had risen to over 30 m.t. with 75 per cent of that total provided by the United States. Yet prices had fallen and were 20 per cent below their 1975 peak. For the grain exporters, joined now by the EC which had become a net exporter of food grain, the problem was once again to find markets for growing surpluses rather than to allocate scarce supplies. Grain demand had grown in the Third World, but effective demand—needs which could be backed by cash—was weak after years of international recession, high and rising oil prices which imposed a major balance-of-payments burden, and substantial outstanding debts. On the exporters' side surpluses had grown in response to technical developments and productivity improvements as well as relatively static demand in Western Europe and North America.

The American response to the situation had been to introduce in 1977 a farmer-owned reserve designed to keep supplies off the market and to sustain prices. What began as a temporary measure rapidly became, and remains, a permanent fixture of the system of farm support now carrying more than 120 m.t. of wheat and coarse grain. Exports had become even more important to the US farmer, and in addition to the US balance of payments. By 1980, the 120 m.t. of grain exported represented over 40 per cent of all US production, and a similar proportion of farm income. Grain provided the bulk of the $23 bn agricultural export surplus, which went some way to offsetting the wider trade deficit.

President Carter's decision, therefore, to impose an embargo on Soviet grain imports from the US, exempting only the minimum provision under the 1975 Grain Agreement between the two countries, was both a brave and an ill-judged response to the Soviet invasion of Afghanistan.

The embargo on American grain exports to the Soviet Union was a gesture of protest in which a moral cause superseded the short-term economic interests of the United States. It ignored, however, the conditions of the internatonal market and the ability of the Soviet Union to meet its needs by purchases from other suppliers or, as recent research has confirmed, by American grain tran-shipped through other countries. The net effect of the embargo was to damage America's reputation as a source of secure supplies and, once the restrictions on trade had been lifted, to ensure that the Soviet Union would approach the United States only as the residual supplier. There is no evidence that the short-fall in grain supplies experienced by the Soviet Union in the early part of 1980 and the occasional difficulties in obtaining supplies thereafter had any impact on Soviet policy towards its occupation of Afghanistan. The circumstantial evidence is that the main effect of the embargo in the Soviet Union was to add strength to the case of those arguing for further agricultural investment with the long-term objective of self-sufficiency. The ending of the embargo policy, causing acrimony and dissent within the Reagan Administration in the summer of 1981, marked the beginning of a new phase in the use of the grain

weapon. The power of the purchaser has transcended the power of the supplier and seems likely to continue to remain pre-eminent as long as subsidized grain production exceeds effective world demand. Competition among exporters for shares in the world market is not only straining trade relations, as the GATT ministerial meeting in November demonstrated,[4] but is also offering the Soviet Union as the world's largest importer to pick and choose its suppliers on political as well as economic criteria.

America's vulnerability

The possibility is emerging that America's 'strength' in terms of grain exports will actually be used against it and that the need to dispose of massive and growing surpluses on an annual basis will be exploited by the Soviet Union. Market conditions and market prospects suggest that a Soviet attempt to use the grain weapon in this way have a better chance of success than any past attempt on the part of the United States.

The short-term prospects illustrate the point. On 15 October 1982, a fortnight before the mid-term Congressional elections, President Reagan, in a special radio broadcast to the farm belt, authorized sales of 23 m.t. of grain to the Soviet Union over the subsequent eight-month period. The broadcast was met with justifiable scepticism by farmers, commentators and traders in the commodity markets.[5] At that time, and indeed up to the time of writing—in mid-December—only minimal sales had been agreed. The harsh reality is that the United States will be lucky to sell half of the 23 m.t. now on offer in the face of Soviet determination to limit purchases.

Several factors suggest that the Soviet Union will buy little more than the 6 million-ton minimum specified in the 1975 Grain Agreement from the United States. Last year, requiring a total of almost 45 m.t. to sustain human and animal consumption, the Russians bought less than a third—some 14 m.t. —from the United States. The other suppliers, notably Argentina and Canada, who provided the balance will be happy to keep the trade this year. Mme Edith Cresson, the French Agriculture Minister, has already visited Moscow with the aim of signing a five-year Franco-Soviet grain deal.[6]

The Soviet harvest, although well below the target of 240 million tons set in the current plan is, however, reported to be an improvement on the performance of the last three years. A good winter wheat crop might reduce import requirements to as little as 35 m.t. On the demand side, the Soviet livestock sector is growing only slowly and demand for feed grain is therefore not advancing so rapidly as the ever optimistic plans suggest. Food is also being imported to an increasing extent in the form of meat which, given the inefficiency of the Soviet farm sector, may make economic sense but clearly has the effect of benefiting the traders of livestock in Australia and Latin America rather than the traders of grain in the US.

[4] For background, see Stephen Woolcock, 'GATT: a loss of momentum', *The World Today*, January 1983.

[5] *International Herald Tribune*, 18 October 1982. [6] *Financial Times*, 6 November 1982.

Behind these facts lies the political resentment generated by the impositon f sanctions over Afghanistan and Poland, and by the active American hostity to the gas pipeline project. If trade and economic relations are to be used as eapons in the Cold War, the Soviet Union is likely to show that commercial ower is not exclusive to one side.

The prospects for the longer term are less clear, but a variety of factors sugest that the relationship between exporter and importer is likely to continue favour the importer. US production continues to grow, particularly in sponse to productivity gains. Wheat yields are still 30–40 per cent below the vels achieved in Europe and the potential increase is considerable. The US dministration has repeatedly ruled out firm restrictions on production and e emphasis of policy, expounded at GATT and in bilateral negotiations, has een on the opening of international markets to American exports by stricting or removing the protectionist policies of others, particularly, of urse, the European Community. Competition between exporters for current arkets and for any growth which economic circumstances permit will be tense, with no obvious markets to which the United States can direct its rpluses.

Attention is therefore inevitably focused on the import strategy of the Soviet nion and on the performance of the Soviet farm sector in response to the olitical and economic priority accorded to it in the latter years of the Brezhnev gime.

The pressure of demand remains as strong as ever. Rising incomes leave the gic which forced the Soviet leadership to give new emphasis to consumer emands for secure and improving supplies of food, particularly meat, unanged. Soviet meat consumption targets for 1990 set out in the food ogramme of May 1982—Brezhnev's last major economic act—may be opmistic but they are still below the current average figure for Eastern Europe. n the production side, land used for grain production is in some cases highly arginal and overfarmed. Commitments to increasing investment (to 33 per nt of total national investment by the end of this decade, according to the ay programme) are as yet unmatched by a clear analysis of the direction of the pital flows, or indeed by any assessment of which sectors are to see investent reduced.

Attempts to establish a new co-ordinating authority between the various ements of the farm industry—from suppliers to marketers—at the district el may yet prove, if past experience is any guide, to be no more than the addin of another bureaucratic layer to hamper rather than expedite planning. In such circumstances, the more fanciful elements of the Soviet food proamme—the total elimination of grain imports and indeed the development an export capacity, can legitimately be disregarded.

It would be wrong, however, to assume that the problems of Soviet agrilture imply a continuing growth of imports of grain, or even the mainnance of the current level. The last three years cannot be regarded as typical terms of weather or crop conditions. There is no reason to suppose that

past Soviet achievements—production of over 230 m.t. in 1978, cannot be repeated or even sustained. Secondly, there is the financial burden of hard currency purchases of grain which in 1980 alone cost $4·9 bn, contributing to a total agricultural import bill of $16·8 bn. Though such a sum is well within Soviet financial capabilities in a single year, its appearance as a permanent, adverse item in the balance of payments is less easy to accommodate. It is closely related to the third factor—that of economic independence stressed by President Brezhnev when presenting the May food programme. In his words, 'Soviet policy proceeds from the need to reduce imports of foodstuffs from capitalist countries. As you know, the leadership of certain states is striving to turn ordinary commercial operations, such as grain sales, into a means of putting pressure upon us.'[7] The theme has been persistently reiterated by Soviet spokesmen since then.

Soviet policy, it seems, is to limit and to diversify sources of supply in both the short and the long term. The beneficiaries to date have been Canada and Argentina. Canadian sales have grown from 2·5 m.t. in 1979 to an estimated 9·5 m.t. in the current crop year. Argentinian sales have risen from 2 to 11 m.t. over the same period. American farmers who once supplied three-quarters of Russian grain imports will this year supply a quarter or less, with little prospect of their position improving.

Unpalatable options

For the US Administration, a massive unsold grain surplus will create severe problems, both internally and in its relations with America's trading partners. The available options are all unpalatable. The government could buy and store the grain in the hope of the market reviving. The cost to the taxpayer, the lack of adequate storage capacity and the consequences of adding to the considerable stocks already overhanging the market in the form of the farmer-owned reserve make the chances of the government pursuing such a strategy remote.

The second option is for the government to buy and then to give the grain to the world's poor and hungry, who cannot afford to participate in the market system. Such a return to the policies of the 1950s and 1960s, when Public Law 480 disposed of regular US surpluses to the poor and to political allies would likewise place the burden on the government—already in massive deficit—and would run contrary to the philosophy of self-reliance on which the Administration has based its Third World policies. There is little evidence in American economic policy of a reassertion of the spirit which accepted the burden of maintaining the economic equilibrium at the international level.

The remaining option and the one which appears most likely to be pursued by the Administration is an aggressive attempt to win the remainder of the world market with export subsidies in various forms to sustain and increase the American market share. The option most frequently discussed—the blended credit scheme (a mixture of subsidized and commercial loans to fund pur-

[7] *International Herald Tribune*, 26 May 1982.

chases)—would still place some financial burden on the federal budget but would export much of the problem. The American position does not augur well for the success of either the GATT negotiations or the new round of bilateral talks with the European Community. A trade conflict based on a competition to subsidize exports is now in prospect. To match American subsidies and to dispose of its own surpluses the Community might find that the cost of the export restitutions, which fund the difference between the price in the world market and that paid to the European farmer, had finally pushed the Common Agricultural Policy beyond the limit of its resources. Finding new resouces for agriculture would strain all the loyalties of the Community. A subsidy war would make the resolution of the other Atlantic trade problems that much more difficult and would unravel many of the achievements of the Tokyo Round.

In the short term, the Administration is pursuing the 'payment in kind' scheme—rewarding farmers who take land out of use with grain from the stocks built up over the last five years. At best, this will put off the real decisions for a year or two. At worst, it will force local business as well as large-scale national suppliers of farm machinery into bankruptcy as their trade declines.

For economic and political reasons, none of the options before the US Administration in the short term are attractive. In the longer term, unless worldwide demand for grain rises sharply, the United States will face a different but equally difficult choice. That choice will lie between a new agreement on grain sales to the Soviet Union, an agreement with political strings attached, on the one hand, and a fundamental alteration of its farm policy in order to reduce production and to cut down the surplus to be exported, on the other. For a President instinctively hostile to the idea of negotiation from a position of weakness, yet dependent on the farm states in the primaries and in the national election of 1984, it is a cruel dilemma.

Socialism in Spain: a pragmatic start

RICHARD WIGG

FOR the old European nations, there are times when past history serves almost too powerfully to underline the significance of contemporary events. For Spain, this was the case when Felipe González Marquez, a forty-year-old lawyer from Seville, took office last December. He was not only the first Socialist Prime Minister since the Civil War; no democratic party had ever before achieved an absolute majority in the Cortes alone, nor had any Spanish king ever sworn in a left-winger as chief of the executive. Only a few days before, in one of his most eloquent speeches since his accession on the death of General Franco, King Juan Carlos had told Spaniards that such an alternation of political parties in power was not only normal but the essence of democracy.

The formation by Señor González of a seventeen-man Cabinet of progressive-minded Social Democrats and Catholics, with only one member still insisting on calling himself a Marxist, was inevitably an anticlimax after so much breaking of Spain's political taboos. But the historical backdrop so poignantly present as the Spanish Socialist Workers' Party (PSOE) took over smoothly the reins of power from the Centre Democratic Union (UCD) explains and above all justifies the moderation of the Socialists' approach.

This approach derives from the single most important fact emerging from the 28 October general election.[1] Final official figures gave the PSOE and the Catalan Socialists a total of 10,127,392 votes out of the 26·5 million registered voters on a nearly 80 per cent turnout. Unlike the Popular Front victory in the February 1936 general election, when the Centre and Right together obtained more popular votes than the Left, the Socialist figure this time was over two million more than the combined votes of the Opposition, even after including the Basque and Catalan nationalists.

The chief opposition force consisting of the right-wing Popular Alliance (AP) of Señor Manuel Fraga, the former Information Minister under General Franco, and the Popular Democrats (PDP) of Señor Oscar Alzaga, the conservative Christian Democrat and former Centre Democrat leader, polled 5,543,107 votes. The UCD, which had received more than six million votes at the 1979 elections, this time won only 1,354,858 votes.

A flexible approach

The size of the Socialist victory—from 119 seats in the old Parliament to 202 in the new—surprised the leadership, giving them more confidence and pointing the wisdom of a less doctrinaire approach to the problems of contemporary Spanish society. Already during the electoral campaign the turnout at their

[1] See Jonathan Marcus, 'The Socialist victory in Spain', *The World Today*, December 1982.

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meetings showed that the Socialists were attracting not only their traditional followers, industrial workers, teachers etc., but also shopkeepers and other small businessmen, farmers, bank employees and doctors (in spite of the declared anti-Socialist stand of their leaders) and, above all, those under thirty. This group—Spaniards have the vote at eighteen—was present at all González's campaign trail meetings, in spite of their often expressed scepticism towards all the politicians, when questioned as individuals afterwards.

The Socialists' campaign strategy was based throughout on the possible need to govern in coalition, though González confessed he felt a strong personal distaste for the Italian-style '*combinazioni*' that would involve. Even the Catalan and Basque regionalist parties were treated respectfully to that end. Those commentators who manifested publicly or privately surprise, even disdain, at a Social Democrat Cabinet had more to do with the country's radical intellectual fashions after forty years of Francoism than with social realities.

From the turnout the Socialist leaders know that they have received a highly heterogeneous vote, perhaps 80 per cent of them Catholics. All the signs point to the moderation of the ten million who supported them, in contrast with the more doctrinaire views among a majority of the party's 160,000 militants, 55 per cent of whom are over forty. After four decades of repression, the Spanish working classes are decidedly moderate—despite a reputation derived from the Second Republic and Civil War memories which curiously still linger —and shun both extremes. The failure of all groupings to the Socialists' left, notably the Communists, proved this essential fact.

Fear is still an element in working-class thinking, rarely expressed but present in its calculations. During the evening of the attempted military coup on 23 February 1981,[2] when the seizure of Parliament at gunpoint was broadcast live by the SER commercial radio network, no crowds demonstrated anywhere in Madrid, judging that it was wiser to stay at home. Socialist councillors in control of local administrations elsewhere in the country burned documents and slept away from home that night. Such sentiments only make the election verdict more remarkable. The ten million who voted Socialist did so in spite of the extreme right-wing army colonels' plot discovered on 2 October 1982, intended to prevent any Socialist victory by a takeover the day before polling, notwithstanding the warning of the Spanish Employers' Confederation that the Socialist programme offered 'the worst solution' for the country's economic problems, and the Spanish bishops' 'advice' that if voters wished to remain good Catholics they should not endorse parties proposing to legalize abortion (i.e. the Socialists and Communists with differing nuances).

Presenting his government programme to Parliament, Señor González named as its four basic elements: the fight against unemployment (with over two million unemployed, PSOE fought the election on a promise to create 800,000 new jobs over its four-year term); greater social equality; reform of a still authoritarian bureaucracy; and an 'efficient' foreign policy to restore Spain's dignity abroad. Replying to Señor Santiago Carrillo, the veteran Com-

[2] See David Rudnick, 'Spain: why the coup failed', *ibid.*, April 1981.

munist, in the debate which followed, González made a revealing observation. All governments faced 'zones of resistance', the Spanish Socialist leader contended, but the majority verdict, 'and why not say it,' he went on, 'the moderation of what we offer means there will be less difficulties than encountered elsewhere.'

In the days immediately after the Socialist victory, it was striking when talking to working-class people to note their caution, a fear that the result was more than the so-called 'de facto powers' would allow; alternatively, a determination was expressed to be optimistic, to be worthy of what ordinary people had surprised themselves by doing after only five years of democracy. The prevailing optimism was based not only on the election results but also on the well-known economic and social changes which have taken place in Spain over the past twenty-five years. These have laid the groundwork for the tolerance and moderation in Spanish attitudes which alone have made possible the overcoming of past history.

What the 'González period' is essentially about is giving Spain a new political class or, more exactly, the more progressive missing half of it fundamental to a democracy. The other conservative half is the existing political class which has evolved to a greater or lesser degree out of the previous one-party authoritarian regime. Although all the ministers González has gathered around him are university-educated and six of them former university professors, they are essentially pragmatists. For a country which puts a high value on intellectual qualities and historically has a leftish intellectual tradition, this is a significant break. It is only Señor Javier Solana, the Culture Minister, who emphasizes that he is a Marxist.

How did Señor González engineer the Socialist victory at the polls? Suavity comes naturally to him, he is a born communicator with an Andalusian's typical sensitivity in social relations. My first encounter with him was when he was addressing Spanish emigrant workers in France in 1975. He pleaded with them for a non-dogmatic approach and the need to achieve true democracy in Spain as the basis for everything else. A few months before, he had been elected Secretary-General of the still underground PSOE, convened in exile in a Paris suburb. Starting in left-wing Catholic student circles tolerated by the regime, he had built up the party apparatus together with Señor Alfonso Guerra, a fellow Seville student who is now Deputy Premier. González's personal background is lower-middle class, with a father who bettered himself by much hard work and a mother who was a devout Catholic.

In 1979, González resigned that secretary-generalship and subsequently came back in triumph having, on the lines of the Bad Godesberg Programme of his mentor Herr Willy Brandt, the former German Social Democrat Chancellor, got rid of Marxism as the exclusive intellectual basis of Spanish Socialism. In what became a famous phrase, Señor González declared: 'We have to be Socialists before we are Marxists.' After the February 1981 coup attempt, the Socialist leader offered Señor Calvo Sotelo, then UCD Prime Minister, a broad coalition and, when that was refused, collaborated on fun-

damental issues like combating Basque terrorism and curbing the devolution process as recommended by Spain's military. He urged party militants to understand that the overriding priority must be to 'cement' democracy, not to erect a doctrinaire building of Socialism for which the country was not prepared.

González's personal style as Prime Minister has yet to emerge, but key Cabinet appointments illustrate his skilful but discreet approach. For Defence Minister he chose Señor Narcis Serra (39), a Catalan with a Catholic professional family background and till December Socialist Mayor of Barcelona, passing over the party's defence experts for a man whom constitutionalist-minded generals had indicated they preferred, judging him to be a good administrator. To avoid a clash from the start with the leaders of Spain's medical profession, González surprised everyone by not naming the party's chief public health spokesman who had long-prepared plans to reform the inefficient and wasteful public health sector, naming a Catalan economist to implement these reforms instead. Catalans have a reputation for hardheadedness.

No economic magic

The most significant appointment was that of Señor Miguel Boyer (43) as Minister of Economics, Finance and Commerce. Boyer is a centre-left technocrat with long experience in the upper echelons of Spain's economic establishment. Initially the protégé of Señor Calvo Sotelo, and married to a cousin of his, Boyer served in Explosivos Rio Tinto, Spain's biggest private company, where the former Premier also once worked, going then to the Banco de España, the state holding company INI and to the state Hydrocarbons Institute set up by the Calvo government.

Boyer has clashed previously with Guerra, who at forty-two is the left-wing leader in the Cabinet, though also a pragmatist; Boyer even left PSOE at one point to join Francisco Fernandez Ordoñez, the reformist former Centre Democrat Finance and Justice Minister. Señor Boyer's appointment signified the defeat of two more left-wing potential economics ministers, Joaquin Almunia (34), formerly chief economist of the General Workers' Union (UGT), the Socialists' trade union congress, and now Labour Minister, and Enrique Baron, a former workers' lawyer in the difficult Franco years. At the last Socialist party congress before the elections, it was this more left-wing tendency which triumphed in the economic policy debate, and the Social Democrats now in the Cabinet did not get a place on the party executive. Only last August, Señor Almunia was boasting: 'The PSOE will reduce the power of the banks and the bankers know it.' Señor Boyer by contrast played a crucial role in smoothing Señor González's path with Spain's financial and business leaders before the elections.

González's contacts with business leaders had a surprisingly tranquillizing effect, Señor José Maria Aguirre Gonzálo, President of BANESTO, Spain's biggest bank, afterwards even declaring: 'If my interpretation of the macroeconomic framework Señor González presents is correct, everything will

go on as in recent times.' Naturally, that left some outsiders aghast. The economic team presently dominant in the government knows that there is no 'magic mix' between expansion of internal consumption which has failed in France and the monetary policies which have failed in Britain, as one of the ministers put it privately. But the fact remains that Boyer has embarked on the beginnings of a stabilization programme which he threatens will be full-scale if González's pledge as Prime Minister to get Spain's 15 per cent inflation rate of last year down to 12 per cent this year fails, and the widening gap with the OECD countries' average continues.

With a loss on Spain's foreign exchange reserves in 1982 estimated at $3,000 million, accelerating during the election period, and the public sector deficit last year representing over 4 per cent of GNP, compared with 1·8 per cent in 1978, and foreign indebtedness at $27,000 m., the government's first economic measures were an 8 per cent devaluation of the peseta, an increase in the banks' obligatory deposits, a 20 per cent average increase in petrol prices and 12 per cent on cigarettes. They were coupled with pledges by Señor González to cut the growth of the money supply from last year's 17 per cent to 13 per cent, reduce the public deficit, and achieve a 2·5 per cent growth of GNP in 1983, despite earlier forecasts by the Banco de España and the OECD of one point less.

Those who believe the Socialist team's economic approach will not be strikingly different point out that the measures so far not only could but should have been taken earlier by the outgoing government. The Socialists face a juggling problem, somehow to control inflation and achieve smaller budgetary deficits while all the energy price increases work through the system and election promises of increasing public sector investment plus indexing old age pensions and shortening working hours are also implemented. The underlying paradox is that the success of the Socialists will depend to a large extent on reviving the private sector, since Señor Boyer knows at first hand how stubbornly inefficient Spain's public sector, largely created by the Franco regime, has remained.

Much of the idealism in the González election campaign went on improving state education—'the long-term key to Spain's social progress, our central objective', he called it—and on improving public health. But the funds have yet to be generated to achieve this. Señor González has remained studiously vague about increasing the fiscal pressure, but Señor Carlos Solchaga (37), the Industry Minister, has confessed: 'In the last resort, we cannot deny that we shall have to raise more taxes.' Combating the widespread tax frauds in the professions and in small business and industry, the Socialist Minister admitted, would not be enough, and he pointed to the sacrifices the working class and especially the two million unemployed were already making in the present slump.

Unpopular taxes will be the big test of the González government, strong enough, unlike the UCD, to redistribute the burdens of the crisis more justly. Unless the better-off are obliged to contribute more in direct taxation, accepting a drop in living standards which Spain can no longer afford,

Socialism will prove a costly experience for the working class. A foretaste of the social resistance the Socialist government will encounter as its election promises of change hit at privileges rife after forty years of the Franco regime, already came by mid-January. Doctors loudly protested over the implementation of long-ignored Centre Democrat government regulations stopping them earning two salaries, while often neglecting their public health service obligations. The Opposition also started a campaign against minor tax adjustments introduced at the year's end, particularly hitting farmers. The real battle lines will be drawn in the spring by the 1983 Budget. González replied by pointing out to protesters that he was only applying laws the Opposition had put on the statute book. But on television he painted a grim picture of Spain's economic crisis, saying it could only be overcome by national unity and a moral rearmament.

'Golpismo' and neo-nationalism

Señor González made a courageous gesture when during his first week in office he visited the crack Brunete Armoured Division created by Franco to watch over the capital and some of whose units participated in the 1981 attempted coup. One week after the elections, its commander had been assassinated in Madrid by a suspected ETA (Basque separatist) commando. '*Golpismo*' (plotting to overthrow democracy) has been 'only eclipsed, not eliminated', according to Señor Jose Barrionuevo (40), the new Interior Minister. 'What has happened is that it has not yet digested those ten million votes,' he explained. The outgoing Centre Democrat Interior Minister, Señor Juan José Rosón, told Spanish journalists as he departed that there existed a risk of a Chilean-styled military intervention (such as toppled President Allende in 1973) being repeated if the Socialists get into serious economic difficulties which they might seek to combat by increasingly doctrinaire policies. Socialist ministers deny the validity of any Latin American parallels for Spain, but undoubtedly this is another reason for their pragmatism.

Barrionuevo emphasized the crucial importance of intelligence in combating any future extreme right-wing military unrest. 'Information is not the property of anyone, but of the state,' he observed, remembering the lesson that it was complicity by some Madrid military intelligence officers with Brunete's intelligence chief, a former head of Admiral Carrero Blanco's intelligence service under Franco, which helped the coup plot, while a reformed Higher Centre of Defence Information (CESID) uncovered the colonels' October plot to forestall a Socialist election victory. But the Socialists have still to take the country's chief intelligence agency out of the hands of the military.

In a cleverly worded speech at Brunete, Señor González put all the emphasis on patriotism, discipline, firmness and leadership. This neo-nationalism, as it has been labelled, is one of the most striking innovations of the González government on assuming power. 'I believe the recovery of national sentiments, of the symbols of Spain's national identity, is necessary,' González explained in an interview he gave to *El País*, the leading Spanish daily, after

taking office. The calculation is that the Socialists now have an opportunity, which the Centre Democrats who were so close to the Franco years could never take, to reinstate national values cynically abused by the dictator. Indeed, the Socialists are discovering that the emphasis of González on leadership and ethical values is proving sympathetic to the military. But speaking the same language as the soldiers is only a beginning and Serra, the Defence Minister, faces the uphill task of recovering full control over the armed services chiefs which his UCD predecessors never exercised.

The nationalist tone, the aim to get Spain 'respected' abroad, is also a prime initial ingredient of the Socialists' foreign policy, a tone personally sympathetic to Señor Fernando Morán (56), the Foreign Minister, for all his pragmatism as a former professional diplomat. It guides the Spanish attempt to achieve a status approaching that of France in the Atlantic Alliance, and to achieve 'adjustments' in the bilateral agreement the Calvo government negotiated with Washington over American bases in Spain; and it will be behind the renewed sovereignty demands over Gibraltar when negotiations start with Britain in the spring.

Morán knows, however, that the Socialist government's margin for manoeuvre in foreign policy is as slender as it is in the economic sphere. Over Nato, what he is really signalling to the Allies by 'restudying' Spain's national defence requirements is the search for an intermediate position, which could later be presented to the Spanish people as an acceptable alternative to quitting the Alliance in an eventual referendum.

The Socialist leaders entered office with sincere modesty, despite the low and blundering standards set by their predecessors. As pragmatists, what worries them now above all is efficiency. Unlike the left-wing leaders of the Second Republic, they do not believe that hard work and honesty are by themselves enough. 'My worry is whether we measure up to the historic tasks facing us, because we are neither geniuses, nor all of us even very good,' one leading Cabinet member told me a few days before taking office. Another Socialist leader observed: 'What troubles me is whether we could do the job better, if there were better men available, not at the top but for the middle-ranking posts.'

González is clearly establishing a presidential system of government after watching closely the weak premiership of Calvo Sotelo. He will have a large 'kitchen Cabinet' run by the politically imaginative Guerra and his men, whose prime task, however, is quite frankly to supervise the individual ministers. Gonzáles confessed he wanted professionals as ministers and not personalities. Star left-wingers like Pablo Castellano or Luis Gómez Llorente had already been eliminated or induced to stand down in the election run up. The 202 MPs are supposed to be the Socialist government's eyes and ears in the country, but the structure of government may prove top-heavy, something which is doubly dangerous in a country where *'la calle'*—popular movements in the streets—are significant and radical changes of mood occur at elections.

With Señor Fraga (60) ensconced as a Westminster-style Leader of the

Opposition, the Socialists hope there is truth in the argument that Spain's old authoritarian Right is being gradually integrated into the democratic system. In the months before and after the February 1981 coup bid, Fraga gave ample proof of his conversion. 'I am absolutely certain that my answer will be negative', he told foreign correspondents after the Socialist victory, when pressed to state if he would accept the offer of a post in a government formed after a future military coup. Nevertheless, the extreme Right, and not only dissatisfied UCD voters, contributed to the mushrooming of his 106-strong parliamentary following. This now consists of an odd blend of rehabilitated Franco regime figures and younger elements of undoubted political skill.

The history of CEDA, the conservative Catholic political grouping in the 1930s which finally broke with the Second Republic, looms as a warning in the background, especially if Socialist economic policies come to threaten privileged or outdated economic interests. Señor González has moved almost as prudently with the Catholic Church as with the armed forces. The Opposition parties connect with right-wing Catholic lay pressure groups, notably Opus Dei (with 22,000 members in Spain), and their future attitudes and mobilizing power could be dangerous to the González government.

The Socialist victory obviously owed much to the errors of right-wing forces. Those who backed Fraga misjudged the modernizing aspirations of contemporary Spanish society. They, and Señor Fraga, for all his political flair and intelligence, failed to grasp the complexity of that society, the higher economic, social and cultural levels already achieved requiring the more sophisticated methods of self-defence of other West European nations. The Socialist offer under González *'Por el Cambio'* (for change) was judged by a majority of Spanish voters to mean progress accompanied by order—not essentially dissimilar to what the UCD had offered at the two previous democratic elections. Only a quarter of the voters feared the insecurity that this involved and an even smaller fraction of that group opted for a reactionary rejection of change.

The UCD clearly could no longer pilot the social process of change. But there are many still unexplained aspects to the story of how the Centre Democrat coalition, which achieved so successful and popular a transition, collapsed utterly. Besides the rivalries of the UCD 'barons', forces like the Employers' Confederation worked to engineer its dissolution, though with extraordinary imprudence, as one Centre leader observed, the employers failed to ensure that an alternative existed with a real chance of winning the elections.

The coming to power of the Socialists means a new chance for Spain: *'los de siempre'* (those always in power) have been replaced by an alternative political leadership, permitting the creation of new groups of interests and a beneficent diffusion of power in society. The UCD departed with what decorum it could muster, leaving more thoughtful Spanish democrats, including some within PSOE, worried about how a genuinely modern centre-right force could regroup to offer Spaniards in turn and in good time a change from the Socialists by the electoral process.

China and the Pacific Community concept

HERBERT S. YEE

A JAPANESE proposal to form some kind of regional organization for economic co-operation and other exchanges among Pacific rim countries has recently drawn the attentions of officials, businessmen and scholars from the region. In the last few years, important international conferences on the definition, structure and functions of the proposed Pacific Community have been held in the capitals of Japan, Australia, New Zealand, Indonesia and Thailand.[1] At least three basic concepts have been discussed:[2] the first advocates a high degree of institutional integration and is based on the idea of a customs union or a 'Pacific Free Trade Area', similar to the European Economic Community (EEC); the second envisages a low degree of integration, but a much broader area of activity involving co-operative ventures in science, social science, communications and various modes of economic relations; the third is institutionally less rigid than the EEC model but more precise than the second concept, aiming at fostering economic development of the region by an 'informal, consultative, and communicative style of operations'.[3]

Reactions to these proposals from the Pacific rim countries have varied from lukewarm to enthusiastic support. The Americans, apparently worried about the growing Japanese economic influence and the further erosion of US markets in the region, have been cool. Some circles in Washington have suggested that American support for a Pacific Community should be conditional and used as a bargain for demanding an increase in the Japanese share in the defence of the Western Pacific and the Far East as well as Japanese concessions on trade restrictions. The ASEAN states (Indonesia, Thailand, Malaysia, Singapore and the Philippines) have also been cautious, voicing some fears of the revival of the notorious Japanese wartime Greater Asia Co-Prosperity Sphere. Amongst ASEAN nations, Indonesia in particular also fears domination by a Japan–China axis in the proposed community. Moreover, the developing Asian states are afraid of becoming too dependent on the advanced states of the region in a Pacific Community. Australia, Canada and New Zealand, on the other hand, largely because of their declining links with other Commonwealth nations and their high degree of dependence on inter-

[1] Tessa Morris-Suzuki, 'Japan and the Pacific Basin Community', *The World Today*, December 1981, pp. 454–5.

[2] Kiyoshi Kojima, 'Economic co-operation in a Pacific Community', *Asia Pacific Community*, No. 12 (Spring 1981), pp. 1–2.

[3] *ibid.*

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national trade, are eager to expand their markets in the Pacific rim areas, especially in the dynamic economies of the East and South East Asian states. They are the staunchest supporters of the Pacific Community concept.

Japanese objectives: a Chinese view

Peking has so far refrained from stating any definite official position regarding a Pacific Community. To the Chinese, the concept was largely a Japanese idea, intended to promote Japan's economic prosperity, national security and political influence. A Chinese policy analyst has observed that the Pacific Community concept was first formulated in Japan in the early 1960s when the Japanese economy began to 'take off'.[4] Japan's dynamic economy has since caught up with and surpassed the economies of West European states to become the second largest market economy. The stagnant and declining economies of the West, however, have forced Japan's government to explore new markets for its manufactured products and to develop closer economic relations with other Asian nations. Tokyo has thus, the Chinese analyst argued, adopted the Pacific Community concept as a government strategy to secure a sustained and steady growth for Japan's economy.

Japan is perceived by the Chinese as a fragile economic giant lacking natural resources and highly dependent on international trade. Despite Japan's effective methods to conserve energy and long-term plans to make its industry more technology-intensive and less energy-dependent, Peking believes that Japan's prosperity will remain highly vulnerable to the external environment for the last two decades of this century.[5] Sudden large-scale price increases for raw materials and energy supplies, like the 1973 and 1979 oil crises, could thus easily cripple the Japanese economy. A world economic recession or the rise of protectionism in international trade would also cause enormous difficulties for Japan's export-oriented industries. Moreover, as Peking has repeatedly pointed out, Japan's long energy and material supply lines are exposed to Soviet military threats. As a relatively small military power, Japan has to rely heavily on the United States for its defence. The shrinking American military presence in the Western Pacific and the ascendancy of the Soviet navy in the region have aroused serious Japanese fears about Japan's national security.

Closer links with the Pacific rim countries in an economic community, the Chinese assert, would thus become a crucial connexion in Japan's 'comprehensive security' strategy. In times of international crises, Japan would have secured its raw material and energy supplies from other resource-rich member states of the community. The Chinese have noted that already more than half of Japan's exports have gone to the Pacific rim countries while the region has become Japan's major supplier of raw materials and energy. In the

[4] Pei Monong, 'Japan–ASEAN special relationship and Japan's Pacific rim development strategy', *Journal of International Studies* (Beijing), No. 6 (October 1982), pp. 15–17.

[5] He Fang, 'Japan economy: current situation and future prospects', *ibid.*, No. 5 (July 1982), pp. 16–19.

Chinese view, the Japanese believe that a new 'Pacific era' is coming in which Japan should play a leading role by increasing its political influence in the region.

Peking has raised no objections to Tokyo's efforts to become a major political power; the Chinese find it natural that political influence follows economic influence. Moreover, an increased Japanese role in Asia would counter Soviet influence and expansion in the region. Yet Peking has also noted that, despite Japan's serious bid to promote economic co-operation with the ASEAN states and other Pacific countries, its political influence in the region remains limited.[6] Asian people in general, Peking has pointed out, are still suspicious of Japanese objectives in the region. In fact, the Chinese themselves do not really trust the Japanese. On the eve of the tenth anniversary of diplomatic normalization, relations between Peking and Tokyo were strained anew by the textbook issue. The alleged revision of high-school Japanese history books (for instance, the change from 'invasion' to 'advance' in references to Japan's incursion into China) was interpreted by the Chinese as an attempt to whitewash Japan's war crimes and to revive Japanese militarism. However, the textbook controversy suggests that the Chinese are largely ignorant of Japan's decision-making process and its prevalent pacifist political mood.

In short, the Pacific Community concept is perceived by the Chinese as a well-co-ordinated strategic move by the Japanese government to boost Japan's international status. According to the Chinese, Japanese scholars, businessmen and other private groups and organizations were first encouraged and mobilized to hold open forums inside Japan to discuss a Pacific Community along the lines of Japan's national interests. Semi-official international conferences were then held to draw the attention of other Pacific rim countries to the topic and to prepare them for future direct government contacts. Since 1980, the Japanese government has openly advocated the concept and attempted to mobilize support in other Pacific countries.[7] Peking's attitude towards the Pacific Community is thus largely affected by its perception of Japanese objectives.

Chinese concerns

According to policy analysts of Peking's Institute of International Studies, the 'think-tank' of China's foreign policy strategists, China wishes to expand its trade with Japan, the United States and other countries in the region, especially at a time when it is planning to increase its international trade at a faster pace than its gross national product. Yet, there are serious obstacles hindering China from joining the proposed Pacific Community.[8]

[6] For background, see Radha Sinha, 'Japan and ASEAN: a special relationship?', *The World Today*, December 1982.

[7] Pei Monong, *op. cit.*

[8] The following information is based on the author's interviews with officials and specialists of the Institute, 25 November 1982.

First, the Chinese are very concerned about the problem which membership would pose for China's relations with non-Communist states in the organization. Vietnam is still an international pariah in the eyes of the Asian Pacific states; the Soviet Union is unpopular and not regarded as a Pacific rim country by other states in the region; and North Korea is likely to be kept out of the proposed community because of concern for South Korea's possible membership.[9] China, on the other hand, is regarded by some leaders of the region as potentially a major factor in the foreign trade of all the members. Indeed, when the concept of Pacific co-operation was first adopted as Japan's official policy by the Ohira administration in the late 1970s, some enthusiastic journalists and business consultants tried to promote the idea of a 'Pacific Century,' making use of the 'China boom' in the wake of the long-term Sino-Japanese trade agreement signed in June 1978 and the peace and friendship treaty of the following August.[10] Although Japan's attitude towards China's modernization efforts became more sceptical when China drastically curtailed the scale of its original modernization programme in late 1979 and entered a period of economic retrenchment, the potential of China as a pillar of the proposed regional community in the next century has never been discounted. Nevertheless, as the only Communist state among generally anti-Communist countries, China would be in a very awkward position if it accepted the invitation to join the community. The possible inclusion of South Korea, Taiwan and Hong Kong as members would be no less embarrassing for the Chinese leadership. Objections from North Korea, the question of the 'Two Chinas' and the status of Hong Kong would remain problems militating against any firm commitment from Peking to a Pacific Community.

Second, in a free-market-dominated community, China would encounter serious ideological and structural problems. Contamination by the so-called bourgeois life-style from Hong Kong has already been enough of a problem for the Chinese leadership. Peking fears that, by integrating China's economy into the proposed community, China's socialist ethics would be further eroded. Moreover, as a Communist, centrally planned economy, China may find it difficult to fit into a free-market-oriented community. China's economic planning, price control mechanism and currency regulations would all be subject to alien external influences. Current Chinese efforts to introduce some market mechanism to regulate the otherwise largely arbitrary pricing system remain very limited. Some Chinese leaders apparently fear that China's inefficient economy and pricing system could not stand up to the highly efficient and aggressive free-enterprise influences that might undermine the credibility of China's system and the legitimacy of its Communist Party. Speculation that China would, if its current more open policies could continue uninterrupted, eventually turn capitalist is groundless and premature. The Peking regime has maintained that socialism is going to stay in

[9] J. D. B. Miller, 'A Pacific economic community: problems and possibilities', *Asia Pacific Community*, No. 9 (Summer 1980), p. 16.

[10] Mineo Nakajima, 'Pacific Basin co-operation concept and Japan's options', *ibid.*, p. 2.

China indefinitely, although it would be continuously adjusted and modified according to actual conditions in China.

Third, the Chinese leaders are very sensitive to the Japanese motivations in initiating the Pacific Community concept. Japan's ambitions to play a dominant political role in the community were perceived by the Chinese as the driving force behind the Japanese proposal. As a major power itself with global aspirations, China is understandably reluctant to follow the leadership of Japan and play a subordinate role in the community. Yet, the Chinese are well aware that it will be many years, if at all possible, for China to catch up, economically and technologically, with Japan. Peking also fears that by tying its economy to an organization dominated by Japan and the United States it may become too dependent on these two advanced countries. A 'metropolis-satellite' relationship with them is the last thing China wants: economic recession or the rise of trade protectionism in Japan and the United States would then be bound to have serious adverse effects on the Chinese economy. Moreover, to tie China's economy to an economic community contradicts the country's development strategy of 'self-reliance'. There is still no consensus among Chinese economists regarding the extent to which China should borrow foreign technology and open its economy to foreign investment without jeopardizing its 'self-reliance'.

Fourth, China is careful to avoid any 'special relationship' with Japan and the United States. Peking is keenly aware of the apprehensions of other Asian countries, especially the ASEAN states, regarding a possible Peking–Tokyo–Washington axis. An economic community dominated by the three major powers would embarrass China and conflict with its aspiration to become the leader of the Third World. Peking has been highly critical of existing 'special relationships' in international politics, such as that between the Soviet Union and Vietnam or that between the United States and Israel; it would thus have difficulties in justifying a special relationship with Japan or the United States. Besides, China's own past experience with the Soviet Union in the late 1950s, when the Chinese economy almost collapsed after the abrupt withdrawal of Soviet technicians and other assistance, has taught the Chinese leaders to diversify China's economic relations with industrial countries.

Finally, to the Chinese leaders the proposed Pacific Community is still a distant concept, whose scope and objectives are not yet defined. The composition of the membership, the degree of integration in the proposed community, its concrete policies and specific functions remain vague. For Peking, the Pacific Community concept is primarily an ambitious Japanese vision, with little practical or immediate policy relevance. The Chinese point out that many technical problems remain unresolved and have not even been tackled by the enthusiastic proponents of the concept. It is thus premature, they conclude, for Peking to commit itself to the proposed community.

Peking's foreign policy strategy

Peking's prudent attitude towards the Pacific Community concept can best

be understood in the context of its overall foreign policy strategy. The drive towards modernization is crucial to China's current domestic policies. The Chinese government has reiterated that a peaceful and stable international environment is essential to China's modernization efforts. Peking has emphasized a peaceful solution to *all* international disputes. China took a neutral position in the war between Iran and Iraq and has urged the two sides to end military conflict by peaceful means. During the Anglo-Argentine war over the Falkland Islands, Peking, while accusing the United States of siding with Britain and the Soviet Union with Argentina, also urged the two conflicting nations to refrain from the use of military force. Peking even openly stated that China would recognize the existence of Israel, a move that would certainly provoke adverse repercussions in some Arab states, in exchange for a peaceful solution to the Middle-East conflict. China has so far managed to stay away from major international conflicts. Indeed, premier Zhao Ziyang's recent month-long visit to ten African countries indicated that China might be the only major power to be equally well received by countries of diverse economic and political systems.

China is aware of its status as a main power and appears to be very sensitive to any criticism of 'Chinese hegemonism.' A Chinese alliance with Japan or the United States would arouse the suspicions of Third World countries and run counter to the major thrust of China's current foreign policy. Peking has thus repeatedly emphasized China's independent foreign policy line. The theme of self-reliance, a once popular slogan during the now discredited Cultural Revolution, has been revived by the present Chinese leadership. From a long-term perspective, it is argued, a self-reliance strategy is imperative for achieving steady and sustained economic growth and modernization. In any case, owing to China's limited currency reserves and current economic retrenchment, the Peking leadership has few options but to rely on China's own efforts.

Peking's recent positive response to the Soviet overtures for improving relations between the two countries was the anticipated and logical development of China's self-reliant and independent foreign policy line. Although the Chinese leaders still insist that China would uphold the general spirit of the united front strategy against super-power hegemonism, they have also admitted that an international front on a global scale is no longer advocated by them.[11] 'Anti-hegemonic' policy has been scaled down to restricted areas such as the Soviet presence in Afghanistan and the alleged US support of Israeli and South African hegomonism.

More important, perhaps, Peking's current efforts to improve relations with Moscow are but part of China's overall global strategic retreat. After the turmoil of the ten-year Cultural Revolution that plunged China into economic disasters and social disorder, the Chinese government under the new pragmatic Hu-Deng (Hu Yaobang and Deng Xiaoping) leadership has been

[11] Interviews with policy analysts of Beijing's Institute of International Studies, 25 November 1982.

preoccupied with adjusting China's unbalanced economy,[12] restoring socialist ethics among its one billion people and rectifying the discipline of the Communist Party's thirty-nine million members. The Chinese leaders have therefore chosen a low profile in international politics and made all efforts to mend their differences with China's political and ideological adversaries. China's current foreign policy priorities and the awareness of its backward economy have led the Chinese leaders not to make hasty decisions and commit China to the proposed Pacific Community.

In sum, China is not yet ready (politically, economically and psychologically) to join a regional economic community. Peking's current strategic retreat, however, is not a permanent or necessarily prolonged withdrawal and should not be mistaken as a sign of China's economic collapse or political unrest. Despite its recent economic retrenchment and difficulties, China has all the ingredients to become an economic and military super-power. In his report to the 12th Party Congress last September, Chairman Hu Yaobang stated that China would have established a solid industrial base by 1990 and that the 1990s would be a period of all-round upsurge in China's economy accompanied by high growth rates.[13] The world may witness a major switch in Peking's foreign policy by the early 1990s and face an increasingly assertive China. It is probable that China may then change its present stand towards a Pacific Community and may opt for membership or associated membership in such an organization. After all, China does not want to be excluded from the lucrative markets of the Pacific rim countries.

[12] W. Klatt, 'China's economy in the Year of the Cockerel', *The World Today*, September 1981.

[13] Jonathan Mirsky, 'China's 12th Party Congress', *ibid.*, December 1982.

Falklands postscript: an Anglo-Argentine view

(Correspondence)

We have received the following letter from Mr Geoffrey Gibson, who describes himself as a 'fourth generation estanciero' *living in Argentina and has been a subscriber of* The World Today *for twenty-five years.*

Dear Editor,

Your articles on the Falklands from May to September 1982, with the exception of Joan Pearce's Note in May were a trifle long on righteousness and short on reality. Both Athenian affairs in the 5th century BC and the leagues of Great War graves in Northern France seem to indicate that real national interests do not control foreign policies of sovereign, democratic states. Just over 200 years ago Spain and Britain came close to blows over the Falklands. Whether foreign policy was then more insulated from uninformed public opinion or whether Dr Johnson's injunctions[1] prevailed, Spain ended up in possession until her withdrawal from the River Plate caused by the revolution of the United Provinces of Rio de la Plata.

In Argentina's eyes, they are part of her sovereign territory as Spain's successor State and Argentina was at any rate in possession when dispossessed by Britain in 1833. Whether it is logical to covet a windswept peat bog when you already possess some of the fairest and richest lands in the world and whether in international law, as J. E. S. Fawcett suggests[2] in your June issue, over a century of settlement (squatters rights) constitutes lawful possession is irrelevant to two central facts: that the vast majority of Argentines feel strongly enough about the issue to fight over it, and more so now; that, as Joan Pearce pointed out in your May issue, 'No (British) government was prepared to try to ride out sizeable opposition from right across the political spectrum, so each in turn affirmed that nothing would be done to change the Islands' status against the wishes of their inhabitants' and, presumably, this is still less likely now.

When General Galtieri took office in December 1981, no one could have pin-pointed an April invasion but it was obvious that, after seventeen years of negotiation, in the absence of progress towards the transfer of sovereignty, time was running out. A visible military deterrent force would probably have postponed an invasion and involved a break in diplomatic relations. It is equally obvious today that hostilities will be renewed within a decade, even with the present high level of military deterrence. Reliance on a sole airstrip and the immensely long lines of communications make a vulnerable target.

In the absence of landing rights in Brazil or Uruguay, the cost of having to twice refuel Hercules transports in the air from Ascension Island must be hor-

[1] According to Boswell, he 'successfully endeavoured to persuade the nation that it was wise and laudable to suffer the question of right to remain undecided, rather than involve our country in another war'.

[2] This opinion is disputed by many international lawyers of repute; see also Julius Goebel, Jr, *The Struggle for the Falkland Islands: a study in legal and diplomatic history* (New Haven: Yale University Press, 1927).

rific and will be more so when petroleum prices increase. The present cost of military deterrence must greatly exceed annually one million dollars for each of the 400 indigenous families. This contrasts with a gross product of roughly 10 million dollars from approx. 3 million kilos of wool from 600,000 sheep, possibly less after the Argentine sojourn.[3]

An elected government in Argentina, probably Peronist of xenophobic, nationalist inclinations, will be more belligerent than the sort of conservative alliance, albeit corrupt, paralytically indecisive (hence the failure of the Haig mission) and incompetent, which has been the hallmark of military regimes in Argentina since 1955. A renewal of hostilities is most unlikely before 1985. From this date onwards, it is quite possible that an elected government in domestic difficulties will authorize air attacks on British communications.

J. E. S. Fawcett states that Argentina has asserted title to the Falklands from the end of the Second World War. This is just not true. Argentina has never ceased to assert its claims since 1833.[4] Before the Second World War, relations were nearly ruptured over the issue of a postage stamp figuring the islands. A novel called *Shepherd* by William Lake, based on the author's experiences in Tierra del Fuego from 1904–10, includes a description of a visit to the Falklands and the attitude of the Islanders. I found exactly the same attitudes when I visited the islands seventy years later: an almost defiant ignorance about Argentina and her large and prosperous British community[5] and fierce hostility to her claims. It is, of course, only since the European powers, bled white by the terrible human and material losses of the Great War and the Second World War, withdrew from their overseas Empires under a comforting cloud of rhetoric about the rights of self-determination, that the Foreign Office began to recommend to successive British governments that it was in Britain's best interests to acknowledge Argentine claims.

Elizabeth Young in your September issue provides a rather more sophisticated version of Mr Pym's justification for recapturing the islands on the grounds that 'aggression must not be allowed to pay'. This crude version might have had validity, given Great Britain's great power status, a century ago. In 1982, it sounded more like an excuse to her perplexed and astonished Nato allies for the removal to the South Atlantic of much of Nato's naval

[3] The suggestions put forward for expanding the Falklands economy are far fetched for anyone with a knowledge of the terrain, climate and distances involved. In a political situation, in which the sole neighbour 400 miles away is bitterly hostile and support has to come from 8,000 miles, such suggestions for investment are ludicrous, which is not to say they will not be undertaken with public funds.

[4] Manuel Moreno, Argentine Minister to the Court of St James protested formally on 17 June 1833, repeated his protest in 1834, wrote to Lord Aberdeen in January 1841 whose reply on 29 December informed him that his Note had been passed to the appropriate department.

[5] Although greatly reduced in numbers from its heyday early in this century, when the British community could field a cricket team of county standard, there were still in 1982 over ten times as many British passport holders resident in Argentina as the total island population and perhaps fifty times as many English-speaking Argentinians of British descent. There is seldom an Argentine cabinet without a British name. The present air force commander rejoices in the name of Hughes.

strength. Whether aggression has recently paid Russian and Israeli real interests is debatable, but no country with the will and muscle to indulge in war will be deterred by the example of Britain spanking Argentina, beyond making sure of tackling someone weaker than themselves.

Gordon Connell-Smith in your September issue says: 'It is also relevant that Argentina has never been popular with a majority of the other Latin American countries, and its defeat in the hostilities with Britain is unlikely to be too widely or deeply regretted. Undoubtedly, Argentina's relations with the United States will have suffered. It is improbable that many other Latin American countries will allow their own relations with Washington to be impaired as a consequence of the Falklands crisis.' Mrs Kirkpatrick would find this very complacent. Americans were ironically far more unpopular in Argentina than the British, who were after all *just* pirates hanging on to their ill gotten gains, whereas the Americans were traitors to the Americas! The American Chamber of Commerce's telegram to President Reagan from Buenos Aires deploring the American decision to back Britain was almost hysterically angry compared to some quite mild missives from the British Chamber of Commerce to Mrs Thatcher begging her to jaw rather than war.

Latin politeness to individual Britons, ministers, traders or academics can easily be mistakenly interpreted as disapproval of Argentina. The refusal of Brazil and Uruguay to grant vital landing rights is a more accurate indication of Latin American sentiment. The US vote against Britain at the UN in favour of negotiations, which can only be about sovereignty, underlines Washington's real concern about the damage done and the wish not to repeat it. The issue is a typical case where members of the Atlantic Alliance possess divergent views. Even Britain's European allies may fail to support her in future if the cause of the next outbreak in hostilities is fudged somewhat, which may not be difficult given Britain's unlawful de facto exclusion zone round the islands.

To Washington, Argentina is of prime interest. To London, apart from the cost of defending the islands, the break in relations in the short term is of no economic importance. It has even been alleged that Britain has in recent years spent more on trade missions to Argentina than it has netted in trade profits.[6] However, while the shattering of 150 years of reasonably cordial and sometimes highly profitable relations with Argentina is not of immediate economic significance, little good and much harm can eventually come out of a bitter enmity with one of the most resource-rich countries of fastest growth potential in the world.

Your articles were mercifully free from verbiage about democracy and the rights of self-determination indulged in by British politicians and so curiously inapposite with reference to a community which has been ruled since the first settlements by administrators from the other side of the world and has in practice been dominated by the Falkland Islands Company. It is normal for land

[6] When twitting a schoolfriend a couple of years ago for staying in the most expensive Buenos Aires Hotel when out on a conference of some sort, I was rather shocked to be told: 'Oh, don't worry, the British tax payer is paying for it. All goes down to deductible expenses.'

and livestock companies throughout the world to perform well in terms o capital gains while producing minimal profits. The FIC's assets do not lool very good capital gains prospects, unless they can persuade the British govern ment to expropriate their ranches to break up into uneconomic small hold ings, but its profit margins have far exceeded similar large-scale ranching con cerns in Argentina[7] and Australia. A substantial part of these profits have beer ploughed back into what Joan Pearce referred to as 'the vigilance and ver effective lobbying of the Falkland Islands' representatives in London [which constrained successive British governments.'

Is there any solution? The weekly *Guardian* recently mentioned a million pound bribe for each of the 400 indigenous families to emigrate to New Zealand. A cynical friend assured me the problem would eventually solve itself. Forty marines in residence on two-year tours were already whittling down the population by marrying a couple of local girls a year. With three thousand on short tours, he reckoned the supply of females of child-bearing age would be soon exhausted.

Be that as it may, the inability of nation states to solve minor problems pragmatically makes one pessimistic about the chances that Arnold Toynbee's universal state with its accompanying Augustan peace will arrive before the habitat of the world's mammalian orders has been destroyed by nuclear or other forms of ecological disaster. At any rate, the stock phrases about time healing and waiting for passions to cool should not give the ostrich an excuse to once again keep his head buried in the sand until struck at its other end by a French missile.

[7] One of the few entertaining aspects of the war was when an Admiral serving as a Provincial governor, being one of the most obtuse nationalists, began, quite contrary to national policy laid down in Buenos Aires, to snort like the proverbial dragon and threaten to expropriate without compensation the properties of some large English Patagonian sheep-farming companies. Whereupon the real Argentine owners had to emerge from the woodwork and explain that they had bought up all the shares in London, presumably very cheaply and with black money, several years ago!

Mrs Elizabeth Young comments:

MR Gibson's letter says that I provide 'a rather more sophisticated version of Mr Pym's justification for recapturing the islands on the grounds that "aggression must not be allowed to pay".'

No, that was the view of the United Nations Security Council and was the effective basis of Resolution 502.

The points I was particularly concerned to make were—in a nutshell—(i) that Latins in South America are no less colonist than Britons and that the Falklands cannot be 'de-colonized' into the hands of another colonist state; (ii) that the Latin doctrine that somehow non-Latin Administrations are less than legitimate in South and Central America is not compatible with the

Charter of the United Nations; and, (iii) that neither are antique territorial claims of the 'greater Bulgaria', 'greater Argentina', kind; where would they stop?

In my view, the Thatcher government was quite mistaken not to welcome, and vote for, Resolution 37/9; in it Argentina at last accepted Resolution 502, and agreed to 'resume negotiations' which its government had broken off. The Resolution mentions that the dispute is about sovereignty—how could it not?—but neither Argentine sovereignty nor Argentine 'rights' are mentioned. The Resolution also states that 'due account' is to be taken of the 'interest' of the islanders: what higher interest could the islanders have than not being subjected to Argentine rule against their will? The kind of thing Britain and Argentina do now have to talk about is sensible accommodations within the principles of the United Nations Charter.

For reading matter, may I suggest to Mr Gibson the more recent (1982), updated, edition of Goebel's book, and also Hermann Weber's *'Falkland-Islands' oder 'Malvinas'?* (Frankfurt am Main: Alfred Metzner Verlag, 1977).

Corrigendum: In the article 'Franco-African summits: a new instrument for France's African strategy?' by Emeka Nwokedi, *(The World Today,* December 1982), p. 479, line 29, for 'Aboud' read 'Abdou'.

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Soviet foreign policy in the Brezhnev years

R. P. BARSTON

SOVIET foreign policy has undergone a number of important modifications since the overthrow of Nikita Krushchev in 1964. With the death of Leonid Brezhnev in November 1982, it is once more under a major review if not revision in the short term. One of the central changes initiated by Brezhnev—the elevation of the concept of détente—had particularly during the last two years of his period in office been under internal questioning within the Soviet leadership to the point of abandonment.[1] It is the aim of this article to examine the major assumptions underlying foreign policy in the Brezhnev period and to discuss the boundaries and limits of détente.

Central foreign policy assumptions

Since Brezhnev's consolidation of political power by 1968, Soviet foreign policy has been shaped by at least four sets of considerations. The first of these was an acceptance of the need to stabilize the arms race without undermining those areas in which the Soviet Union had an advantage in strategic delivery systems by extending arms control beyond the early forms of agreements of the 1960s—the Partial Test Ban Treaty (1963), Non-Proliferation Treaty (1968) and Outer Space Treaty (1969)—to central strategic systems and anti-ballistic missile (ABM) systems. Secondly, Soviet decision-makers placed importance on resolving the German problem and other related European questions, on terms which would formalize the status of East Germany (GDR) and the frontiers of central Europe. In the third place, at a formal and operational level foreign policy has been influenced by the requirement of continuing the political and ideological struggle in areas of opportunity outside Europe. Fourth, Soviet diplomacy has operated on the basis of the continued hostility of the People's Republic of China, for which the triangular relationship with Washington, Tokyo and the PRC has been of central importance, as well as the need to establish a diplomatic and military *cordon sanitaire* around the PRC. The fall of South Vietnam in 1975 provided a further set of possibilities not only vis-à-vis the reunified Vietnam but also the Indochina client states.

[1] See *Pravda*, 2 February 1981, and speech by Konstantin Chernenko in Tbilisi, *The Guardian*, 30 October 1982.

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The first and second of these foreign policy assumptions formed the core of the Soviet conception of détente. The concept became formalized in the peace programme of the 24th Party Congress in March 1971. It substantially differed from the main line of peaceful co-existence articulated by Krushchev at the 20th Party Congress, especially in the extent to which it envisaged increased co-operation with the United States in the control of strategic weapons, and, by implication, a reduction in the tactics of overt confrontation, which might damage agreement on central nuclear issues. The concept was above all based upon what Soviet decision-makers regarded as a favourable alteration in the balance of forces in part brought about by the development of Soviet-American strategic parity. Writing on what might be called the 'classical' period of Soviet-American détente from 1971–5, Nikolai Lebedev, Rector of the Moscow State Institute for International Relations, refers to it as a 'new stage in international relations'. Détente was thus the central feature of Brezhnev's foreign policy—the crucial component was military détente, which was seen as separate from political détente. The concept of détente, whilst not replacing peaceful co-existence,[2] nevertheless altered the balance of co-operative and conflictual elements in Soviet foreign policy. This changed emphasis, which reflected the mutually perceived need for the control of the arms race, reducing the possibility of accidental war breaking out and the establishment of mechanisms for promoting trade and scientific co-operation, found expression in the 'Basic Principles of Relations' with the United States, attached to the SALT I agreement in 1972.[3] But the ambiguity of détente proved to be the major drawback in the development of Soviet-American relations in the 1970s. Although the 'Basic Principles of Relations' set out general guidelines, both super-powers had different conceptions of the contents of détente and what was both acceptable and permissible within that framework. The boundaries and limits of détente subsequently remained ill-defined in two crucial areas: the implications of intervention in third party disputes and domestic jurisdiction.

Soviet European policy

The German question has dominated much of post-war Soviet foreign policy. By 1969 Soviet policy on Germany had been modified to take into account the growing economic and commercial contacts and diplomatic ties opening up between Eastern Europe and West Germany (FRG) in the post-Adenauer era, as well as with other Western countries. Prior to this, the building of the Berlin Wall served to reinforce the existence of two separate Germanies, although the issue of reunification was not closed for the Soviet

[2] Report of the Central Committee of the CPSU, 24th Congress (Moscow, 1971), p.24.

[3] For Henry Kissinger's assessment of the significance of the 'Basic Principles of Relations', see Henry Kissinger, *The White House Years* (London: Weidenfeld and Nicolson, 1979), pp. 1253–4. The text of the document along with that of the SALT I agreements can be found in Mason Willrich and John B. Rhinelander (eds.), *SALT: The Moscow Agreements and Beyond*, (New York: The Free Press, 1974), pp. 309–12.

Union. In addition, periodic East–West political crises over Berlin in the 1960s and 1970s merely served to underline the more fundamental aspects of the German problem and the sensitive state of FRG–GDR relations. Soviet policy on Germany, however, was modified by 1969 as part of the Soviet approach to European political détente, which aimed to reduce confrontation by promoting Soviet-West German bilateral relations, and, relations between East Germany and the Federal Republic. The latter was also seen as assisting the Soviet aim of gradually detaching the FRG from close ties with the United States, something which had proved impossible during the Adenauer period.[4] One consideration, however, remained unchanged: the need to prevent the FRG from ever becoming a significant military threat to the Soviet Union. Yet, as we shall note below, it is precisely the difficulties in achieving this aim, which have contributed to the growing Soviet concern over the state of détente.

Following the revision of Soviet policy towards Germany, the visit of Chancellor Brandt to Moscow paved the way for rapid progress in Soviet relations from 1970–4. In 1970, the Soviet Union concluded the Renunciation of Force Treaty with West Germany. It was not, however, until the resignation of Ulbricht in May 1971 and his replacement by Honecker, that the pace of the Four-Power negotiations on Berlin and intra-German negotiations increased, culminating in the signature of the Four-Power Berlin agreement and the Basic Treaty (*Grundvertrag*) in 1972.[5] The visit of President Brezhnev to Bonn in 1973 proved to be the high point of Soviet-FRG relations. The Soviet Union's *Westpolitik* had, along with the treaties signed by the FRG with Poland and Czechoslovakia, created a series of bilateral frameworks which have never been fully developed. The Basic Treaty did serve the Soviet aim of confirming the 'inviolability' of the post-war frontiers of Europe. The Soviet Union, too, was able through the bilateral relationship developed with the FRG to counter United States attempts to pursue a policy of 'linkage', which tried to tie together progress on the German question and the Helsinki and Vienna mutual balanced force reduction talks (MBFR). The transference of discussion on confidence-building measures and disarmament to the Helsinki framework from MBFR was also part of the Soviet preference for a pan-European approach to arms control and security. Yet, despite the short-term benefits, the Helsinki process, as continued through the Belgrade and Madrid review conferences, has proved costly to the Soviet Union because of the critical attention given to human rights. In bilateral terms, the Soviet Union's relations with West Germany gradually declined after 1974 in the wake of the Guillaume espionage affair and Brandt's subsequent replacement by Helmut Schmidt. Although Brezhnev visited Bonn in 1978, little was achieved.

In the field of arms control, the conclusion of the SALT I Agreement in 1972 was a major feature of Soviet-American military détente, which com-

[4] See Terence Prittie, *Adenauer: A Study in Fortitude* (London: Tom Stacey Ltd, 1972).

[5] For background, see Hilary Black, 'The East–West German Treaty', *The World Today*, December 1972.

plemented Soviet European policy. In addition to the ABM Treaty and counter-force ceiling, the accompanying scientific and economic agreements included provisions for a joint Soviet-American Trade Council. The Trade Council was set up the following year and met until the US withdrew after the Soviet intervention in Afghanistan in December 1979. Although the SALT I process itself was continued through the Vladivostok Accord signed between President Ford and Leonid Brezhnev in 1974, the effect of the intrusion of Watergate on East–West relations underlined two further key aspects of the 'classical' period of détente: the importance of personality and the need for frequent high-level personal diplomacy. In another sense, the concept for strategic forces of 'equal aggregates with freedom to mix' agreed at Vladivostok highlighted the problems of verification and interpretation of arms control agreements. These questions were to play a crucial part in the debate within the United States on the effectiveness of the SALT agreements and the subsequent shelving of the SALT II agreement.[6] In addition, the growing criticism of the Vladivostok agreement was linked to questions of United States trade with the Soviet Union. The Jackson and Stevenson amendments to the Trade Act in 1974–5 in effect made the development of credits for US-Soviet trade conditional on increased Jewish emigration, which the Soviet Union rejected in January 1975. As William G. Hyland notes: 'for the first time, a sociological-political change within the USSR became an official object of US foreign policy, a complete turnover of the containment/evolution theory.'[7]

Soviet foreign policy outside Europe

Soviet foreign policy outside Europe has been modified in a number of important ways since the mid-1960s which have affected the evolution of détente. In the Krushchev period, the Soviet Union's approach to the Middle East, Africa and Asia was in part shaped by strategic considerations, for example, vis-à-vis Egypt from the mid-1950s, but also by the perceived need to establish political relations with newly independent states emerging in a period of rapid decolonization. Attention in particular focused on states such as Guinea, Ghana, Ethiopia, Mali, Somalia, Nigeria, Sierra Leone and Indonesia through credit aid programmes, arms supplies and 'show' projects. However, the limited success of these political initiatives, largely brought about because of the political volatility and nationalist sensitivities of these regimes, forced a reappraisal of Soviet policy by the end of the Krushchev period. Subsequently, Soviet policy has been influenced more by economic and strategic considerations as well as the need to build up more stable relations with

[6] See Howard Margolis and Jack Ruina, 'SALT II: notes on shadow and substance', *Technology Review* (MIT), October 1979, pp. 30–6. Also Richard Burt, 'SALT after Vladivostok', *The World Today*, February 1975, and Lawrence Freedman, 'SALT II and the strategic balance', *ibid.*, August 1979.

[7] William G. Hyland, 'Soviet-American Relations: A New Cold War?', RAND R-2763-FF/RC, May 1981, p. 31.

selected Third World countries. In South Asia, for example, relations with India, developed since the mid-1950s, were upgraded, against the context of deterioration in Sino-Soviet relations especially from 1969, through the conclusion in August 1971 of the 20-year Soviet-Indian Treaty of Friendship and Co-operation. India was careful to insist, however, through Article 4, that the agreement did not signal an end to India's non-alignment. The expulsion of Soviet advisers by Egypt in 1972 proved a major setback to the Soviet Union's attempts to establish long-term influence in the Middle East. The break in Soviet-Egyptian relations had a profound impact on both the subsequent evolution of Soviet policy towards the region and relations with the United States. Earlier, Soviet-American relations were severely tested during the so-called 'autumn of crises', involving super-power conflict over Jordan, Cienfuegos, Chile and also over the US mining of North Vietnamese ports. In the October 1973 Arab-Israeli conflict, the Soviet Union again showed restraint; although a massive airlift of supplies to Egypt was mounted through Yugoslavia and Syria, the Soviet Union ultimately conceded to American pressure triggered by the stage-three nuclear alert. The 'autumn of crises' and events in the Middle East, including the Arab-Israeli war, suggested that, whilst the Soviet Union would go to considerable lengths to protect its clients, it was not prepared at that point to jeopardize fundamentally the development of the embryonic détente with the United States.

Following the 1973 Arab-Israeli war, the Soviet Union was forced to seek alternative naval and military bases as well as other compensating political relationships as a result of the Egyptian decision first to limit access to port facilities at Alexandria and later in 1976 to abrogate the Soviet-Egyptian Treaty. In an attempt to redress this, Soviet attention turned increasingly to the Horn of Africa, first through a treaty of friendship with Somalia in 1974 and, to compensate for the loss of port facilities at Berbera in 1976–7, to Ethiopia, with whom a similar treaty was signed in 1978. In addition, Syria and Iraq were regarded as important potential members of an anti-Egyptian-American front the Soviet Union attempted to construct after 1975. Yet, the long-standing conflict between the two major factions of the Ba'ath parties in Syria and Iraq underlined the extent to which inter- and intra-Arab differences severely limited Soviet influence in the Middle East. For its part, too, Iraq opposed Soviet discussions with the United States in October 1977 aimed at resuming the Geneva conference on the Arab-Israeli dispute.[8] Whilst the Egyptian-US-Israeli Camp David summit served to unify briefly a disparate set of Arab interests in opposition to Egypt, the Camp David agreement itself isolated the Soviet Union further from the central political process connected with resolution of the Arab-Israeli dispute. The Soviet condemnation of the Camp David agreement in September 1978, along with calls for a return to the multilateral Geneva framework as preferable to unilateral United States initi-

[8] For a discussion of Iraqi policy, see Robert O. Freedman, 'Soviet Policy Towards Ba'athist Iraq', in Robert H. Donaldson (ed.), *The Soviet Union and The Third World* (Boulder, Colo.: Westview Press, 1981), pp. 161–91.

atives, confirmed the growing deterioration in super-power relations which developed after 1975.

The decline in Soviet-American relations was influenced to a considerable extent by the marked shift in methods of Soviet foreign policy outside Europe between 1975 and 1979. The period is marked by a series of opportunistic interventions using surrogate forces either from Cuba or Eastern Europe, which reflected the growing militarization of Soviet foreign policy and increasing influence of the military in decision-making. The first of these—the Angolan civil war (1975–6)—provided an opportunity, at a time of considerable disarray in American foreign policy after Watergate, both to compensate for losses in Egypt and, more importantly, to reaffirm Soviet ideological aspirations and credentials under peaceful co-existence. The Angolan civil war also offered long-range but at that stage ill-defined options in Southern Africa as a whole. It is extremely doubtful that Soviet involvement in the civil war on the side of the MPLA was intended to counter Chinese support for Unita or FNLA forces.[9] In the two other major cases—the Somali-Ethiopian Conflict (1977–8) and Yemen—Soviet involvement would seem to have been influenced by the need to obtain facilities in the Horn of Africa to support the 'long-reach' naval policy initiated by Admiral Gorshkov in the mid-1960s. In South East Asia, Soviet policy again responded decisively to developments in Indochina, especially the deterioration in Sino-Vietnamese relations after the fall of South Vietnam. The Soviet decision to conclude a 'special relationship' with Vietnam, which joined CMEA in June 1978, through the Treaty of Friendship on 3 November 1978, seems to have taken account of the likely adverse implications of this for relations with the Association of South East Asian Nations (ASEAN), given Vietnam's regional ambitions. The agreement was thus regarded by the Soviet Union as a means of limiting Chinese influence in the Indochina region. The Soviet Union accordingly supported Vietnam's invasion of Kampuchea in December 1978 and provided intelligence and military supplies to the Vietnamese after the PRC launched a limited invasion of Vietnam in February 1979. Whilst the cutting of aid and business links by ASEAN with Vietnam initially was an acceptable cost of the agreement with Vietnam, as a result of the invasion, there has been growing Soviet frustration at the financial burden caused by the intractability of the Kampuchean conflict between the Heng Samrin regime and loose anti-Vietnamese coalition forces. Indeed, Soviet policy has recently shifted to favour dealing directly with Kampuchea, and cultivating links with Vientiane.[10]

In pursuing an interventionist policy outside traditional areas of influence, Soviet decision-makers appear to have considered that these actions were not or should not be construed as being contrary to détente.[11] That is to say, Soviet

[9] For a discussion of the evolution of the Angolan Civil War, see T. Hodges, 'The struggle for Angola', *Round Table*, April 1976, pp. 173–84. Also Stephen Larrabee, 'Moscow, Angola and the dialectics of détente', *The World Today*, May 1976.

[10] See *Pravda*, 7 January 1982, for details of Kampuchean economic development and Soviet aid.

[11] See N. I. Lebedev, *A New Stage in International Relations* (Oxford: Pergamon Press, 1978).

involvement in national liberation struggles or in areas in which there is no direct United States presence are regarded as entirely legitimate and without prejudice to Soviet-American politico-military détente. In contrast, the United States saw Soviet actions as undermining the basic principles of détente—the assumption of moderation and restraint in conflict. Reviewing the reasons for the decline in Soviet-American relations after 1975, President Carter stated:

> 'The Soviet Union can choose either confrontation or co-operation. The United States is adequately prepared to meet either choice. We would prefer co-operation through a détente that increasingly involves similar restraint by both sides, similar readiness to resolve disputes by negotiation and not violence, similar willingness to compete peacefully and not militarily. Anything less than that is likely to undermine détente. . .'[12]

The second autumn of crises

The autumn of 1979 proved to be a fundamental turning-point in Soviet relations with the United States. In the second autumn of crises, three issues —the Nato decision about theatre nuclear forces (TNF), the SALT ratification debate and the Soviet intervention in Afghanistan—brought a marked decline in Soviet-US relations, to the point that détente, as a framework for Soviet-American relations, had by the following year been virtually abandoned.

The Nato modernization plan involving the deployment of ground and sea-launched cruise missiles and Pershing II intermediate range ballistic missiles (IRBMs: range 1,800 miles) brought together for the Soviet Union two of the major preoccupations in its foreign policy: arms control and European security. The Nato plan was regarded as a major threat not only to the Soviet Union itself but to stability within Europe. Western Europe was no longer the 'hostage' of the past, but a Europe into which new elements of strategic uncertainty had been introduced. In response to the Nato proposals, Brezhnev outlined in October 1979 a counter-plan[13] which involved the withdrawal of 20,000 troops, 1,000 tanks, a nuclear 'freeze' in Europe and confidence-building measures, on condition that Nato did not go ahead with plans to develop and deploy cruise and Pershing II missiles. The Soviet proposals met with little positive response from the West. The degree of Soviet concern can also be seen in the unusual visit of the Soviet Foreign Minister, Andrei Gromyko, to Bonn prior to the December Nato Council meeting, in which an attempt was made to persuade the FRG to reverse its decision on the Nato modernization plan. The Soviet intervention in Afghanistan in December 1979 led directly to President Carter's decision to shelve the SALT II agreement. For the Soviet Union, the protracted debate after the Vienna summit and Senate attempts to modify the agreement were an unnecessary intrusion. More importantly, the political effect of the decision not to continue the ratification process on the Soviet Union was to call into question at least two of

[12] President Carter's speech, 7 June 1978, to US Naval Academy at Annapolis, Maryland.

[13] See *Pravda*, 7 October 1979.

the central assumptions in Brezhnev's foreign policy: that military détente through arms control brought strategic and economic advantages to the Soviet Union. In the United States, the conservative critique of SALT II, focusing not only on the SALT Protocol, but also on the Backfire bomber issue, the 300 heavy ICBM concession and SS-20 deployment, paved the way for defence budgetary changes made by the Reagan Administration, based on the view that strategic parity had ceased to exist and that the Soviet Union in fact had moved to a position of overall strategic superiority.[14]

Foreign policy in transition

By 1980 the politico-strategic calculus of the Soviet Union had become far more complex and filled with uncertainties and dilemmas. Between 1980 and 1982 Soviet-American relations continued to decline for the most part quite rapidly.[15] The sombre character of Brezhnev's address to the 26th Party Congress reflected Soviet unease at the increasing range of problems and instability in East–West relations. Although détente remained formally within the Soviet political vocabulary, relations within the United States were seen far more in terms of seeking at best a limited modus operandi. Three issues in particular —the Polish problem, Afghanistan and technology transfer—contributed, however, to the continuing decline in Soviet-American relations and highlighted a number of dilemmas for Soviet foreign policy. In the first place, growing involvement in Afghanistan and an inability to extricate Soviet forces worked against any significant improvement in relations with the United States, and, for that matter, prevented a rapprochement with China. In the Polish case, the Soviet dilemma revolved around how to control events in Poland without incurring penalties from the West, given the dependence of the Polish economy on West European financial credits. Although considerable military pressure was put on Poland in December 1980 and in March 1981, the Soviet Union refrained from direct military intervention. Nevertheless, the imposition of martial law by the Polish authorities, with Soviet assistance, resulted in further sanctions by Western Europe and the United States. Third, the Soviet Union placed consistent importance under Brezhnev on the acquisition of high technology, either formally through the development of bilateral relations, for example with the FRG, or through economic intelligence.[16] United States restrictions on export licences for equipment for the Urengoi-West European pipe-line, and general tightening of legislation on the transfer of high technology following the Nunn report, particularly soured Soviet-United States relations.

A distinct hardening of attitudes to the United States was reflected in President Brezhnev's speech to the Soviet armed forces on 27 October and at the

[14] See Paul Nitze, 'SALT II and American strategic considerations', *Comparative Strategy*, Vol. 2, no. 1, 1980, pp. 9–24.

[15] See *Pravda*, 2 February 1981.

[16] See *The Guardian*, 30 September 1982, for details of the Nunn Report and the Racal case, and *ibid.*, 16 November 1982, on technology transfer. Also Vladimir Sobeslavsky, 'East–West détente and technology transfer', *The World Today*, October 1980.

65th anniversary of the Bolshevik revolution on 7 November 1982. At the Moscow military parade, the Soviet Defence Minister, Dimitri Ustinov, underlined the shift in Soviet policy when he accused the United States and its allies of mounting 'a political, ideological and economic offensive against socialism'.[17] The other important change in Soviet policy in the final phase of the Brezhnev period, corresponding with the deterioration in relations with the United States, was in terms of commencing a cautious revision of Sino-Soviet relations. The change of Soviet policy was foreshadowed, formally at least, in Brezhnev's speech at Tashkent in March 1982, and seems undoubtedly to have been influenced by the increasing uncertainties vis-à-vis European security and the difficulties in Soviet-American relations.

Some concluding observations

The end of the Brezhnev era has brought to a close a distinctive phase of post-war Soviet foreign policy. It is unlikely that the new Soviet leadership will embark on a reorientation of foreign policy significantly different from that which began to emerge in the final phase of Brezhnev's period of office. That period is perhaps above all distinguished by the breakdown of the 'classical' period of détente and the emergence of a far more complex and less predictable range of issues on the Soviet foreign-policy agenda with regard to the United States, Europe and the Middle East. At the centre of the agenda for the Andropov collective leadership is the uncertainty surrounding the new adversarial relationship with the United States as reflected in the lack of progress in the Geneva strategic arms reduction talks, the 'launch on warning' posture, taken in the context of the debate on Pershing missiles and further revised proposals on European theatre nuclear weapons. In other areas, only minor foreign-policy adjustments have been made, for example, vis-à-vis Finland and Albania. The major exception, of course, is in Sino-Soviet relations. The process of revision, begun during the final phase of Brezhnev's period of office, has been further continued at the diplomatic level and through the new November 1982 Soviet frontier act.[18] According to the Politburo member Konstantin Chernenko, the Soviet Union was now ready to make its frontier with China a 'border of friendship'. The future development of Sino-Soviet relations depends on the extent to which the USSR is prepared to revise policy on Soviet troop deployment on the Sino-Soviet border, Afghanistan and vis-à-vis Vietnam. It seems likely that changes of policy in some of these areas may occur. Whether they will remove the dilemmas in Soviet foreign policy or create new uncertainties remains to be seen.

[17] *The Guardian*, 8 November 1982.
[18] See *Pravda*, 26 November 1982, for the text of the Law on State borders.

China between the super-powers

DOUGLAS T. STUART

IN the December 1982 issue of *The World Today*, Jonathan Mirsky commented on the enduring economic and demographic problems confronting the People's Republic of China (PRC). A sampling of information provided in recent studies of the Chinese economy tends to vindicate Mr Mirsky's pessimism.

The PRC economy remains fundamentally agrarian. Eighty per cent of the population is rural, and improvements in the agricultural sector are essential for the long-term success of China's Four Modernizations campaign. Yet Peking's system of agricultural collectives still cannot provide for the basic subsistence of the peasantry.[1] In spite of a long-term commitment to self-sufficiency, China has become increasingly dependent upon outside suppliers of basic agricultural products in recent years, with grain imports increasing from 4·6 million tons per year in the mid-1970s to 13 m.t. in 1981.[2]

Even if the PRC continues to pursue its sweeping campaign of birth control, China's population will grow by an amount roughly equal to the present population of the United States in just the next twenty years. This is due in large part to the fact that over 65 per cent of China's population is under 30.[3]

While the PRC remains committed to the Four Modernizations, its ability to allocate resources for modernization programmes is severely constrained by a massive subsidization system. Almost 20 per cent of the annual PRC budget is now allocated for food, housing and other forms of subsidies.[4]

Brief reference to the enormity of China's economic problems is useful as a means of introducing an analysis of its security policy, since it alerts the reader to the fact that Deng Xiaoping, Chairman of the Military Affairs Commission, and the pragmatist leadership must define China's security in economic as well as in military terms. The current leadership has committed itself to measurable improvements in China's economy and will be extremely vulnerable to pressures from domestic political opponents if it fails to deliver. Even the official government organ, *People's Daily*, admits that opposition to the pragmatist leadership continues to exist. According to a front-page article, the persistence of such opposition is attributable to the inability of some influential individuals to recognize that Deng's programmes 'have won the enthusiastic sup-

[1] Jan S. Prybyla, 'Economic problems of Communism: a case study of China', *Asian Survey*, December 1982, pp. 1206–37.

[2] 'China's split-level change', *World Press Review*, December 1982, pp. 26–8.

[3] Arthur Ashbrook, 'China: economic modernization and long-term performance', in *China Under the Four Modernizations: Part 1*, Joint Economic Committee, 97th Congress, 2nd Session, 13 August 1982 (Washington D.C., USGPO, 1982).

[4] *The Asia Record*, November 1982, p. 17.

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port of the people'.[5] The traditional competition between 'red' and 'expert' factions persists in China, and is made more complex by cross-cutting generational disputes and competition for scarce resources between different bureaucrats.[6] Recent personnel changes have been designed to reinforce substantially Deng's influence, but the pragmatist leadership in Peking must continue to exercise considerable caution in its modernization campaign, so as not to provide opponents with ammunition.

The People's Liberation Army is still the greatest potential threat to Deng's leadership. The PLA has been committed to defence modernization since the 1977 announcement of the campaign for 'people's war under modern conditions'. The army and the party are well aware of serious defects in PLA doctrine, tactics, infrastructure and, above all, hardware. China is particularly weak in force projection, as illustrated by the 1979 Sino-Vietnamese war. The PRC's 27-day incursion into Vietnamese territory was designed to 'teach Vietnam a lesson', but in fact provided more lessons for the PLA, which is reported to have suffered about 20,000 casualties during the brief offensive.

According to an official PLA post-mortem, the Sino-Vietnamese border conflict 'helped to clear away some erroneous ideas on the questions of war'. But if the PRC is now more realistic about its military deficiencies, it also has a clear sense of its economic limitations. It has been estimated that the kind of large-scale infusion of weapons and defence technologies that would be required to achieve 'people's war under modern conditions' could cost $300 billion.[7] This figure is almost thirty times China's total estimated defence budget outlay for 1982. Faced with such a confounding task, the PRC leadership has chosen to give priority to the modernization of PLA doctrine and training and to hold off on extensive indigenous hardware modernization until China's economic infrastructure has been substantially improved. Peking's decision to continue to give defence fourth priority in the Four Modernizations is reflected in the recently announced 1983 defence budget, which represents virtually no increase in defence spending over 1982. Defending the 1983 budget before disgruntled PLA leaders, China's new Defence Minister, Zhang Aiping, argued that the army would have to 'retrench expenditure in peace-time to ensure rapid development of the national economy'.[8]

Limited détente with Moscow

These observations help to explain at least partly Chinese motivations for pursuing a limited détente with the Soviet Union during 1981–2. A some-

[5] *International Herald Tribune*, 27 December 1982, p. 2.

[6] See, in particular, Robert G. Sutter's analysis of 'The political context of the Four Modernizations', in *China Under the Four Modernizations: Part 1*, *op. cit.*, pp. 77–98.

[7] PLA modernization costs are discussed in D. Stuart and W. Tow, 'China's military modernization: the Western arms connection', *The China Quarterly*, June 1982, pp. 253–71. See also the statement by Lt.-General James A. Williams, Director, DIA, before the Joint Economic Committee, 'Allocation of Resources in the Soviet Union and China: 1982', (offprint, 29 June 1982).

[8] *Financial Times*, 11 December 1982, p. 2.

what attenuated Soviet threat provides Deng Xiaoping with an argument in support of his decision to continue to allocate the bulk of China's scarce resources to industry, agriculture and government subsidies at the expense of the PLA.

Deng's flirtation with Moscow must also be assessed in the context of American-Chinese relations. In the decade between the signing of the Shanghai communiqué (1972) and the August 1982 joint communiqué on the status of Taiwan ('Shanghai II'), the US has shifted from a 'mixed adversary' policy towards both Russia and China to a policy of unremitting opposition to Moscow and increased support for Peking. This has permitted China to move from a seriously disadvantaged negotiating position in the US–PRC relationship in the early 1970s to a position of greater influence over Washington in the early 1980s. Bolstered by many indications of America's stake in continued Sino-American co-operation, the PRC leadership appears to have concluded that it can now dabble with limited détente with the Soviet Union to enhance its influence over the Reagan Administration and increase Peking's policy options in its dealings with both super-powers.

An interest in increasing its options at limited cost is probably also at the heart of Moscow's experimentation with Sino–Soviet détente. While reconciliation with Peking was always a possibility for the Brezhnev leadership, it may have taken on greater importance once the Reagan Administration began its reconstruction of US Cold War policies. Leonid Brezhnev appears to have accorded special priority to the normalization of Sino-Soviet relations during the last year of his life. In a speech on 24 March 1982, Brezhnev took an important step towards ideological reconciliation by asserting that China was in fact a socialist state. In this same speech, Brezhnev called for improved relations on economic, scientific, cultural and political issues and stated that the Soviet Union was ready to 'discuss the matter of possible measures to strengthen mutual trust in the Soviet-Chinese border areas'.[9] Peking subsequently sent a gymnastics team to an international competition in Moscow, and the USSR reciprocated with a June visit to Peking by a Soviet athletics team—the first such visits since the mid-1960s. This Sino-Soviet version of ping-pong diplomacy was followed in October 1982 by the start of open-ended and exploratory negotiations aimed at the normalization of relations.

Both sides used the occasion of President Brezhnev's funeral to demonstrate continued commitment to a policy of cautious and conditional reconciliation. While in Moscow (on what proved to be his last official visit before retirement), the Chinese Foreign Minister, Huang Hua, met both the Soviet party leader, Yuri Andropov, and the Foreign Minister, Andrei Gromyko. On his return to Peking, Mr Huang asserted that he was 'very optimistic' about the prospects for improved Sino-Soviet relations. The PRC has since communicated very conciliatory messages to Moscow on the occasion of the 60th anniversary of the founding of the USSR.

It should be emphasized, however, that both sides are treating the process of

[9] Nayan Chanda, 'Brezhnev breaks the ice', *Far Eastern Economic Review*, 2 April 1982, pp. 12–13.

Sino-Soviet normalization as limited, conditional and tactical, and neither side is predicting the imminent disappearance of fundamental barriers to real rapprochement.[10] China's recent call for global support ('moral and material assistance') for Afghan resistance forces against Soviet 'aggressor troops' and Moscow's subsequent assertion that Soviet forces would remain in Afghanistan as long as 'bandit forces' continue to challenge the government of Babrak Karmal are reflective of the limits both sides appear to have established in their normalization policies. The same is true on the issue of Soviet support for Vietnamese aggression against Kampuchea. Neither Moscow nor Peking give indications that they are prepared to abandon their chosen allies in this conflict. Vietnam has become increasingly important in Soviet defence planning since the late 1970s, as Moscow continues to build up its port and airfield facilities at Cam Ranh Bay and Da Nang. China has also increased its stake in its South East Asian ally in recent months, as illustrated by the winter 1982 visit of Son Sann to Peking. The PRC continues to sponsor a patchwork coalition of the three Kampuchean opposition groups, and to build other aspects of its South East Asia policy around its opposition to Hanoi.

The issue that is most susceptible to some mutual reconciliation is troop reductions on both sides of the disputed Sino-Soviet border.[11] Both sides may be willing to make some adjustments in the size of their border forces. In China's case, this would permit Deng to make further cuts in manpower in order to re-allocate PLA funds towards hardware modernization.[12] From Moscow's point of view, some reduction in the cost of maintaining between 46 and 52 divisions on the Chinese border must also appear very attractive—particularly in view of the fact that support costs for troops in the Far Eastern military district are estimated to be three times greater than for troops west of the Urals.[13] But border talks are not likely to go beyond the achievement of a modus vivendi with some troop reductions. Peking does not realistically expect Moscow to return any of the 'lost' territories, and the PRC benefits from keeping the issue available as an instrument for prodding the Soviet Union from time to time.

Uneasy relations with US

If Deng is gambling that ongoing Sino-Soviet normalization talks will make Washington even more accommodating on the Taiwan issue in the future, or

[10] I am using Allen Whiting's distinction between Sino-Soviet détente (implying a process of lowering or relaxing tensions) and Sino-Soviet rapprochement (a much more ambitious and comprehensive reconciliation). See Professor Whiting's analysis of the prospects for détente in *International Herald Tribune*, 1 June 1982, p. 4; also Dick Wilson, 'China's affair with Russia', *Strategic Review*, Vol. VII, No. 4 (Fall 1979), pp. 66–78, and Seweryn Bialer, 'The Sino-Soviet conflict: the Soviet dimension', in Donald Zagoria (ed.), *Soviet Policy in East Asia* (New Haven: Yale University Press, 1982) pp. 93–121.

[11] On the 'unequal treaties', see Li Huichuan, 'The crux of the Sino-Soviet boundary question', *Beijing Review*, Vol. 24, No. 30, 27 July 1981, pp. 12–17.

[12] On previous PLA manpower cuts, see Paul Loong, 'Scaling down the army runs into problems', *Malaysian Business Times*, 14 April 1981.

[13] William V. Kennedy, 'The perceived threat to China's future', in Ray Bonds (ed.), *The Chinese War Machine* (London: Salamander, 1979), p. 171.

that the US will be more willing to underwrite PLA modernization, the gamble may not pay off. Mr Reagan is already in trouble with some influential conservatives in Congress as a result of the 'Shanghai II' communiqué, and the influence of this faction could increase as the 1984 presidential election approaches. Mr Reagan must also be concerned about the effect that his handling of the Taiwan issue has on America's reputation for supporting small but loyal friends.

Robert Sutter of the US Library of Congress had the unique—if uncomfortable—opportunity to be in Taipei at the time that the Shanghai II communiqué was announced.

> 'A common reaction was one of anger and complaint about the "shabby" ways the United States was treating its former ally. . . One cynic seemed to sum up this reaction when he advised that the United States was merely going through the motions of avowing continued support for Taiwan; its actual policy was to disengage fairly rapidly from the island after a "decent interval"—an expression used deliberately to recall the America policy in South Vietnam which ended in the total collapse and elimination of the Saigon government by the Vietnamese Communists.'[14]

Perhaps more than any of his recent predecessors, Mr Reagan would seem to be sensitive to this kind of argument.

Peking has made it especially difficult for the Reagan Administration to balance its PRC and Taiwanese policies by linking the 'two Chinas' issue to America's 'two Koreas' policy. In keeping with the logic of the 'global anti-hegemony front against Soviet social imperialism', China refrained from criticizing America's stationing of troops in South Korea between 1979 and 1981. During this same period, there was a ten-fold increase in PRC-South Korean trade (from $120 million in 1979 to $1·2 billion in 1981), in spite of the fact that Peking has never accorded diplomatic recognition to Seoul.[15] By the end of 1981, however, Peking appears to have reassessed its policies towards the Korean peninsula and concluded that its national security interests were best served by improving ties with North Korea. China's campaign to regain its lost influence in North Korea began in December of that year, when Premier Zhao Ziyang visited Pyongyang and, while there, attacked the US for its 'wanton intervention . . . in the internal affairs of Korea' and for the perpetuation of the 'abnormal situation' of a divided Korea by its continued military presence in the south.[16] This was followed by secret visits to North Korea by Deng Xiaoping and the Party Chairman, Hu Yaobang. Kim Il Sung reciprocated by a state visit to Peking in September 1982 during which the Chinese leadership applauded his 'brilliant revolutionary practice', which has made him 'the esteemed and beloved great leader of the Korean people'.[17]

[14] Robert G. Sutter, 'Trip report on visit to Taiwan, August 13–19, 1982', Congressional Research Service, Library of Congress, DS 740 C2 (Washington D.C., 25 August 1982), pp. CRS 2–3. See also 'U.S. Policy Toward China and Taiwan', Hearings before the Committee on Foreign Relations, US Senate, 17 August 1982 (Washington D.C.: USPGO, 1982).

[15] 'A diplomatic defection', *Far Eastern Economic Review*, 26 November 1982, p. 22.

[16] *International Herald Tribune*, 23 December 1981, p. 3.

[17] *The Asia Record*, October 1982, p. 22.

China has backed up its rhetoric by reportedly giving the North Koreans 40 MiG 21 fighter aircraft.[18] To date, both Washington and Seoul have responded to these Chinese initiatives in a cautious and accommodating manner.

The recent visit to Peking of the US Secretary of State, George Shultz, illustrates Washington's continued interest in improved Sino-American relations. In the near future, however, the Reagan Administration could come to conclude that the geostrategic benefits derived from China's grudging co-operation are no longer worth the diplomatic and domestic political costs that are incurred.

Attitude to Europe and Japan

If the US reduces its security commitments to China, the PRC will find it difficult to solicit greater support from America's OECD allies. Mrs Thatcher has been the only US ally who has consistently and forcefully—albeit for the most part rhetorically—supported the PRC in its global anti-Soviet campaign during the last few years. Since the Falklands adventure, however, China has tested the limits of Sino-British co-operation. Peking supported the Argentine claim to the Falklands during the conflict in the South Atlantic, and since that time, both London and Peking have treated the question of Hong Kong's status as a much more significant and immediate concern. Hong Kong was the major topic for discussion during Mrs Thatcher's visit to Peking in October 1982, and negotiations are continuing at the present time.

China's stake in maintaining the dynamic economy of Hong Kong is often cited as the best insurance against any precipitous behaviour by Peking. Hong Kong is China's major re-export centre, its principle partner in joint ventures and its third largest trading contact.[19] Both sides could find themselves seriously at odds, however, if the Hong Kong negotiations are permitted to slip out of the realm of pragmatic economic and political discussion into the realm of principle and national honour. From Peking's side, this could occur if the leadership links the question of the status of Hong Kong to the Taiwan issue. On the other hand, the UK leadership could make it much more difficult to solve the Hong Kong question if it relies too heavily upon the 'lessons' of the Falklands in the formulation of its negotiating position. Unfortunately, there are hints that both sides are moving in precisely these directions. Hu Yaobang recently described 'the return of Taiwan to the motherland and the recovery of Hong Kong' as one of China's main national goals, and British negotiators are reportedly maintaining that the UK wants to continue its administration of Hong Kong beyond 1997 because of a moral commitment to the residents of Hong Kong, who overwhelmingly prefer the maintenance of the status quo.[20]

[18] *International Herald Tribune*, 13 October 1982, p. 5.

[19] *Financial Times*, Special section on Hong Kong, 21 June 1982. See also *Le Monde Diplomatique*, January 1983, pp. 22-3.

[20] 'A clearer picture', *Far Eastern Economic Review*, 26 November 1982, p. 24, and 'Honour at stake', *ibid.*, 3 December 1982, p. 12. For background see Gordon Lawrie, 'Hong Kong and the People's Republic of China', *International Affairs*, Spring 1980, pp. 280–95.

China continues to have limited influence over the foreign and defence policy decisions of other OECD states. In general, the PRC's efforts to recruit France, Germany and other nations of Western Europe into its global anti-Soviet front have foundered on the greater priority that all these governments accord to the Soviet Union. Peking was particularly frustrated by the détente policies of Giscard d'Estaing and Helmut Schmidt, and China initially applauded the arrival of the Mitterrand and Kohl governments as positive developments in the anti-hegemony campaign. But the French Socialist government has taken certain initiatives in Asia—such as provision of economic aid to Hanoi and the sale of Mirages to New Delhi—which have been unwelcome in Peking. The CDU government in Bonn meanwhile gives no indication that it will be any more responsive to Chinese entreaties, advice or warnings than its predecessor was.[21]

The one OECD state that has become increasingly sensitive to the logic of the global anti-hegemony front during the 1980s is Japan. The Japanese Prime Minister, Yasuhiro Nakasone, has been much more outspoken than his predecessors regarding the threat posed by the Soviet Union. This is understandable in the light of the recent Soviet military build-up in the Sea of Okhotsk—including the stationing of 14,000 Soviet troops and a squadron of MiG 21 fighters on the disputed Kurile islands. But while expressing support for some increase in Japanese-American security co-operation, the Nakasone government continues to be acutely aware of the risks involved in pressuring Moscow. Mr Nakasone's speculations about making Japan 'an unsinkable aircraft carrier' in the Western defence system precipitated a quick and unsubtle reply by Tass. 'Is it not clear that in the present nuclear age there can be no unsinkable aircraft carrier? By deploying on board the carrier arsenals of armaments, including American (weapons), the authors of such plans make Japan a likely target for a response strike.'[22]

In spite of its geographic proximity and the significance that Japan accords to the 1972 Sino-Japanese treaty, Peking will not be able substantially to influence Japanese foreign and security policies in the 1980s. What leverage there is will continue to be in Washington and Moscow. It is none the less important for China and Japan to attempt to work together to develop their defence policies, because co-ordination can help to calm nascent fears of either Japanese or Chinese militarization among the smaller states in the South East Asian region.

Conclusion

During the late 1970s, Chinese foreign policy was characterized by vociferous support for an alliance against the Soviet Union. The cornerstone of the alliance was US-Chinese security co-operation. During the last two years, however, the PRC has been developing a policy that is more balanced and

[21] On recent developments in Sino-European relations, see the author's study of 'The prospects for Sino-European security co-operation', *ORBIS*, Fall 1982.

[22] *International Herald Tribune*, 22–23 January 1983, p. 2.

complex, and less easily managed. Peking's long-term goal appears to be the establishment of a mixed adversary relationship with both super-powers, to enhance China's influence and increase China's options within the strategic triangle. This more recent strategy is based, in particular, on two perceptions on the part of the PRC leadership: first, a recognition of the enduring weakness of the Chinese economy, which forces Peking to seek contextual power within the international system to compensate for internal vulnerabilities, and, second, a belief in the elasticity of American patience. There can be no doubt about the accuracy of the first perception. It remains to be seen whether China is correct about the second.

Vietnam's ASEAN diplomacy: recent moves

LESZEK BUSZYNSKI

CHINA is Vietnam's obsessive preoccupation. Vietnamese foreign policy since reunification has been directed primarily towards evoking external support to rectify what its leaders have regarded as a surbordinate relationship with China. In Chinese eyes, Vietnam's effort to dominate Indochina lies at the heart of the dispute between the two countries but in the Vietnamese view, survival as an independent state demands control or at least exclusion of foreign control from neighbouring Laos and Cambodia. The invasion of Kampuchea on Christmas Day 1978, made possible through alliance with the Soviet Union, was an attempt to eliminate Chinese influence from Indochina and to protect the flanks of a vulnerable and eccentrically shaped country such as Vietnam. The identification of the Khmer Rouge regime with China, in the context of deteriorating relations between Vietnam and its northern neighbour after 1975, made the invasion imperative for leaders whose experience of sustained armed struggle against foreign powers had taught them to rely upon the use of force. While the invasion of Kampuchea was largely a result of the Vietnamese-Chinese dispute, the move had the unintended and, to some extent, unforeseen consequence of alienating the countries of the Association of South East Asian Nations (ASEAN) which reacted with alarm to Vietnam's willingness to resort to force. In a region of relatively fragile states where fears of external intervention are intensified by internal political and economic vulnerability, Vietnam not only has attempted to achieve a territorial revision by military conquest, establishing a dangerous precedent for its relations with the ASEAN states,[1] but also has permitted the Soviet Union entry into South East Asia. For the ASEAN states, Soviet intrusion into the region has been the most unwelcome and menacing consequence of Vietnamese actions.

ASEAN's key position

Vietnamese leaders would like to ignore ASEAN reactions to the invasion of Kampuchea concentrating upon their dispute with China, were it not for several crucial linkages that their actions have crystallized. ASEAN holds a key position in the international coalition mainly because it has the power to con-

[1] The Philippine Foreign Minister, Carlos Romulo, expressed ASEAN fears in an interview; 'Why is ASEAN fighting the invasion of Cambodia by Vietnamese troops? Because the same thing could happen to any of us. It can be duplicated in any of our countries here.' *Straits Times* (Singapore), 15 June 1982.

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fer or withhold recognition of Vietnam's position in Kampuchea. Both the United States and China in their effort to counter the Soviet-Vietnamese combination in the region seek the active support of the ASEAN countries, as their acceptance of a fait accompli in Kampuchea would destroy the legitimacy of their present policy of weakening Vietnam by attrition. Vietnam's intransigence over Kampuchea, however, has drawn ASEAN and China diplomatically closer as both pursue the aim of eventual Vietnamese withdrawal though long-term aims differ. The ASEAN countries, lacking the military capability to communicate with the Vietnamese in a language they understand, perceive that alignment with China over Kampuchea is a means of bringing pressure to bear upon the Vietnamese to consider negotiation. Further, Soviet involvement in the region and, in particular, use of naval and communications facilities at Cam Ranh Bay, Danang and Haiphong, has had the effect of renewing American interest in the region. The Reagan Administration has reaffirmed existing commitments to allies within the region and has called for an expanded naval presence to match the developing capability of the Soviet Pacific Fleet. Whatever their views regarding the future of American bases in the Philippines, the ASEAN countries are agreed that an American military presence is a factor contributing to their security for as long as they are unable to manage an effective response to Vietnam. Indeed, while Vietnam is regarded as a pariah state by its South East Asian neighbours, an American military presence in the region is internationally justifiable and Chinese leaders are able to elevate their private quarrel with their Vietnamese counterparts to the level of an altruistic struggle against brazen aggression. The effectiveness of the international embargo imposed against Vietnam to some extent depends upon ASEAN's refusal to sanction the Vietnamese position in Kampuchea on the basis that the issue involves more than the interests of great powers, such as the United States and China, and touches upon the sanctity of frontiers in Third World regions.

For these reasons, Vietnam's diplomacy has focused upon ASEAN to relieve the pressure of blockade in the immediate sense with the intention of undermining the ability of its great power enemies to maintain an international alignment against it in the longer term. Vietnamese diplomacy in this sense has merged with Soviet policy towards South East Asia for, despite the fact that the Soviet Union pursues wider aims in the region, they both share the goal of obtaining regional endorsement of the overthrow of the pro-Chinese Khmer Rouge regime. Alliance with the Soviet Union in pursuit of this aim is a liability in that Vietnam's dependence upon Soviet support identifies it with Soviet global strategy. Accordingly, Soviet policy, though capable of giving guiding direction to Vietnamese diplomacy, generally works behind the scenes encouraging Vietnam to approach ASEAN on the assumption that gains for its regional ally entail gains for itself. Concentration upon ASEAN offers Vietnam the prospect of exploiting regional sympathies that do exist within the organization, but the stigma of association with the Soviet Union constitutes a fundamental restraint upon the effectiveness of Vietnam's appeal.

Vietnam has hoped to convince ASEAN that its invasion of Kampuch[e]a linked solely with its dispute with China and that it has no ambitions in [South] East Asia. The invasion of Kampuchea, the Vietnamese maintain, is a sp[ecial] case which in no way impairs the validity of Pham Van Dong's assurance given during his ASEAN tour of September–October 1978, that Vietnam would respect the territorial integrity of its neighbours. The Foreign Minister, Nguyen Co Thach, stressed on 11 July 1982 that Vietnam exercised its right of self-defence when it launched the invasion against the Khmer Rouge regime, a right which does not affect the assurances given to its neighbours.[2] *Basically hostile towards ASEAN until the dispute with China broke out into the open* in 1978, the value of the regional organization's neutrality in this dispute was readily appreciated as Vietnam prepared for the move into Kampuchea. Preventing the development of a hostile coalition of ASEAN states willingly or reluctantly allied with China remains the major aim of Vietnam's ASEAN diplomacy. Accordingly, Vietnam has presented itself as a barrier against long-term Chinese expansion into South East Asia in the hope of exploiting regional fears of China. Differences within ASEAN regarding the common enemy of the region provide opportunities for Vietnamese diplomacy in this respect, as the ASEAN states are unable to decide how far they ought to go in confrontation of Vietnam.

Members of ASEAN are agreed that they should differentiate their position from that adopted by China to permit the Vietnamese to accept a negotiated solution to the Kampuchean problem which would then allow Vietnam to break with the Soviet Union. This act, in turn, would reduce Chinese enmity, providing a basis for the eventual solution of the Kampuchean dispute. Here lies the limited incentive for ASEAN to respond to Vietnamese overtures, if only with the remote hope of persuading Vietnam to accept a negotiated solution that would exclude the Soviet presence from the region. Hard-line and moderate positions exist within ASEAN as to the diplomatic method that should be adopted to achieve the desired result. Hard-line positions have been expressed by Thailand and Singapore which conceive of an ASEAN strategy linked with the United States and China, in an effort to direct overwhelming political economic and military pressure against Vietnam. More moderate positions have been articulated by the Malaysians and Indonesians who, to a greater or lesser degree, share Vietnamese perceptions of China as a result of their experience of Communist party subversion and problems associated with the integration of their own Chinese minorities. Malaysia and Indonesia prefer a solution to the Kampuchean dispute that would clearly retain Vietnam as a counterweight to China and are aware that sustained pressure against Vietnam could result in its collapse, in which case China would be the obvious beneficiary. The more moderate approach to the dispute, as initially advocated by Malaysia and Indonesia, has assumed that Vietnam would be willing to explore a compromise solution without the need for the kind of coercion

[2] See *BBC Summaries of World Broadcasts* (henceforth *BBC SWB*) (FE/7086/A3/1), 24 July 1982.

t would rebound to China's advantage. This approach has been more of a ope than realistic policy, as its expression in Vietnamese eyes has been indicative of weakness. Consequently, the compulsion to maintain diplomatic unity in face of an obstreperous opponent only too eager to manipulate existing disagreements has meant that the ASEAN countries collectively have tended to gravitate towards the less accommodating position.

Vietnam's goals and ASEAN reactions

Vietnam's diplomacy towards ASEAN, in this context, has had two aims based upon the distinction between maximum and minimum goals. In terms of maximum goals, the hope is to separate ASEAN from its great-power supporters with the expectation that South East Asian states might concede Vietnamese domination over Kampuchea in return for regional peace. American and Chinese insistent support for ASEAN renders the possibility of achieving maximum goals rather remote. Practical aims, therefore, can be defined in terms of the minimum goal of maintaining a regional dialogue which would impede the current evolution of ASEAN strategy towards a more hard-line position. In this sense, Vietnam's effort to approach ASEAN hinges upon an attempt to influence the development of opinion within ASEAN towards itself in the hope that ASEAN as a group will accept the view of the more moderate members to the effect that it has a stake in Vietnam's ability to maintain itself against its enemy. Capitalizing upon differences within ASEAN, Vietnamese diplomacy strives to encourage more moderate opinion to prevail within the diplomatic forums of the organization to stimulate developments in favour of maximum aims.

Vietnam's adamant refusal to consider negotiating the Kampuchean issue has tilted the balance of opinion within ASEAN against it. The ASEAN countries' frustrated experience of dealing with Vietnam has resulted in the formulation of a strategy that posits a compromise solution as an outcome of the application of increasing political pressure against it. ASEAN strategy has had two features in this respect; the first has entailed the effort to focus and maintain international attention upon Vietnam's occupation of Kampuchea to prevent it gaining acceptance by default. ASEAN efforts have been to some extent successful. The international conference on Kampuchea in New York (13–17 July 1981) negotiated a solution to the dispute which called for the creation of a neutral Cambodia detached from the Vietnamese-Chinese conflict, if it were possible, to permit Vietnamese forces to withdraw. ASEAN has also kept the issue alive in the United Nations by raising support for the annual General Assembly resolutions on Kampuchea.[3] ASEAN has found greater success, however, in forging a coalition of the three Khmer resistance groups (the

[3] On 25 October 1982, the General Assembly voted 96:29 with 26 abstentions to retain Democratic Kampuchea's seat in the United Nations. On 28 October, the Assembly's vote on a resolution calling for the withdrawal of Vietnamese forces from Kampuchea was 105:23 with 23 abstentions. This was the largest majority yet obtained in a General Assembly vote on the issue (in 1981 the vote was 100:25 with 19 abstentions).

Khmer Rouge, Sihanouk's Moulinaka and Son Sann's Khmer Peoples National Liberation Front). The idea gained increasing acceptance after the Thai Premier, Prem Tinsulanonda, broached the subject with the Chinese in Peking in October 1980, but the major obstacle was Son Sann's deep hostility towards the Khmer Rouge. The eventual solution was found in Singapore' proposal for a 'loose coalition' formula, announced on 24 November 1981, in which each faction was to retain organizational independence and would combine with the others only for the purpose of fighting the Vietnamese. Upon this basis, a coalition agreement between the three groups was signed in Kuala Lumpur on 22 June 1982 as a result of Chinese pressure upon the Khmer Rouge and ASEAN success in persuading Son Sann. The agreement was of little military significance for the Vietnamese; the three groups can barely even formally co-operate as memories of Khmer Rouge atrocities remain vivid. These divisions were recognized in point 2 of the agreement, which permitted each group to retain its independence. Point 3 was an escape clause for groups which refused to collaborate, in which case they were allowed the 'right of freedom of action'. This meant they could act individually, as they did before the agreement was signed.[4] However, the diplomatic significance of the coalition was not lost on Vietnam.

The Vietnamese Foreign Minister, Nguyen Co Thach, on 23 June remarked that the agreement 'does not bother Vietnam at all'[5] in a comment that belied his country's concern. The Khmer factions had shown that they would be willing to appear united over the aim of expelling the Vietnamese from Kampuchea, thereby continuing to attract international attention to the issue. Formation of the coalition in Vietnamese eyes was a means of legitimizing the continued existence of the Khmer Rouge by association with Khmer figures of acceptable nationalist credentials such as Sihanouk who was given the title of 'President'. Whether or not the coalition government could actually operate was beside the point, as neither the Vietnamese nor many in ASEAN seriously entertained such notions. The mere fact that the Khmer groups would come together for a political purpose could counter Vietnamese efforts to discredit the government of Democratic Kampuchea as represented in the United Nations by unrelenting exposure of bestialities committed by it while in power. In this sense, the formation of the coalition can impair Vietnamese ability to extract political capital from the fact that the only viable alternative government to the Heng Samrin regime was one led by the distasteful Khmer Rouge. Moreover, the Vietnamese feared that military aid channelled to a Khmer coalition regarded as legitimate by the international community would, in fact, end up with the Khmer Rouge.[6]

[4] The coalition agreement was basically an agreement to differ; see text in the *Straits Times*, 23 June 1982.

[5] *BBC SWB* (FE/7060/A3/6), 24 June 1982.

[6] The Americans, at least, proclaimed their intention to distinguish the Communist from the non-Communist groups in the coalition and to aid only the latter, in which case ultimate recognition of the 'legitimacy' of the coalition was withheld. *International Communication Agency Fi* 29 June 1982.

A diplomatic tour

The Vietnamese effort to contain the international political consequences of these moves on ASEAN's part came in the form of Nguyen Co Thach's tour of South East Asia. According to reports, there have been contending views amongst Vietnamese leaders as to how they could prevent further deterioration of relations with ASEAN. The Party Secretary, Le Duan, apparently advocated a more forceful response while the Premier, Pham Van Dong, and Nguyen Co Thach pressed for a more conciliatory approach.[7] Proponents of the latter view would certainly point to the failure of intimidatory tactics in the relationship with ASEAN; the cross-border incursions at Non Mark Mun in Thailand in June 1980 evoked much hostility from ASEAN and strengthened its links with great-power supporters. Among the conciliators, Nguyen Co Thach, who was elevated to candidate membership of the Politburo during the 5th Party Congress of March 1982, plays a major role in guiding Vietnam's relations with non-Communist countries; his promotion shows that his judgement is appreciated. The Foreign Minister's South East Asian tour (Burma was visited along with four ASEAN countries) was a personal effort to renew the process of bilateral consultations between Vietnam and ASEAN in the hope of minimizing the effects of ASEAN diplomatic successes discussed above. Renewal of the dialogue with ASEAN without offering substantial concessions would at least stimulate expectations of future concessions, giving the more moderate states within the organization reason to neutralize the persistent arguments of the more uncompromising members. Maintenance of the idea of a regional dialogue would act as a restraint upon ASEAN diplomacy and could ultimately affect ASEAN's willingness to be associated completely with the policies of its great-power protectors.

By way of announcing the tour, the Vietnamese offered to withdraw part of their army in Kampuchea during the Sixth Indochinese Foreign Minister's Conference held at Ho Chi Minh City (6–7 July 1982).[8] Previously, the Vietnamese had offered a partial withdrawal of forces in return for which Thailand would agree to cease indirectly supporting the Khmer Rouge by allowing them use of Thai territory. The Vietnamese now made the magnanimous gesture of implementing a partial withdrawal independently of such agreement; the Thai government, however, was not impressed as it was perceived that the Vietnamese were actually rotating troops. Rather than conveying reasonableness as an introduction to the Foreign Minister's trip, the incident confirmed yet again ASEAN impressions of Vietnamese diplomacy in

[7] *Far Eastern Economic Review*, 10 September 1982.

[8] The Conference also highlighted two other proposals; the first was the creation of a 'safety zone' along the Thai-Kampuchean border that was little different from the demilitarized zone previously proposed. The second was the convening of an international conference on Kampuchea that would include both ASEAN and the Indochinese countries (with Burma) together with the five powers that participated in the Geneva Conferences of 1954, 1961–2 and 1973 (US, Soviet Union, China, United Kingdom and France). *BBC SWB* (FE/7072/A3/1), 8 July 1982. The proposals were variants of earlier initiatives, acceptance of which would entail recognition of the Heng Samrin regime in Kampuchea.

terms of naïve deception. The Foreign Minister's tour was divided into parts; Singapore, Malaysia and Thailand were visited in July 1982, Indone the following October.

The diplomatic style adopted in each country varied according to Vi namese perceptions of that country's attitude towards the Kampuche dispute, confirming that the Vietnamese intention was to stimulate di ferences over the issue within ASEAN. The Philippines, originally on th Foreign Minister's itinerary for the second part of the journey, was not visite as planned. The Vietnamese attitude towards a country regarded as peripher to Indochina and which maintained American military bases on its territo was one of indifference. In Thailand (28–30 July), the Foreign Minist adopted a calculated minatory posture which showed that the ASEAN count most vulnerable to Vietnamese attack was being selected for special attentio Nguyen Co Thach warned that Vietnam would grant the Soviet Union bas on its territory and not just the facilities currently enjoyed if it felt its securi was threatened.[9] Returning from his visit to Indonesia, the Foreign Minist stressed for the benefit of his Thai hosts in Bangkok on 2 November that Sovi aid to Vietnam for the five-year period 1981–5 had actually been increased l 400 per cent as against the period 1976–80.[10] In Singapore (18–21 July Nguyen Co Thach hoped at least to temper the republic's militancy by fusi urbanity with a studied inflexibility, but ultimately the Vietnamese cou expect little success in a country so antagonistic towards themselves.[11]

Towards the more compromising members of ASEAN the Vietname strove to develop some basis for a common view. In Malaysia (25–28 July), t Foreign Minister referred to ZOPFAN (Malaysia's proposal for a Zone Peace, Freedom And Neutrality in the region) in a way that made it seem th both countries aimed at similar goals, despite the fact of Vietnam's allian with the Soviet Union which contradicted the aspiration. In Indonesia (October–1 November), the Foreign Minister attempted to build upon t mutual regard that both Vietnam and Indonesia had for each other trying create the impression of a relationship between them over and above divisio relating to Vietnam's occupation of Kampuchea and conflicting claims o the Natuna Islands. After holding talks with President Suharto, the Vi namese Foreign Minister, at a press conference on 1 November, refused to into details about the subject discussed 'because it is still a secret'. The Indo sian Foreign Minister, Mokhtar Kusumaatmadja, however, dispelled the i pression by revealing that the Vietnamese had offered nothing new duri their talks.[12]

Any assessment of this most recent move in Vietnam's ASEAN diplom should take cognizance of the distinction mentioned earlier between ma

[9] *Straits Times*, 31 July 1982. [10] *Bangkok Post*, 3 November 1982.

[11] Singapore's press had the Vietnamese Foreign Minister issue a series of 'veiled thr relating to Vietnam's declared right of self-defence against ASEAN pressure. *Straits Times*, 20 1982.

[12] *BBC SWB* (FE/7173/A3/9), 3 November 1982.

num and minimum aims. In terms of ASEAN agreement to the Vietnamese position in Kampuchea and separation from the policies of the United States and China, the visit obviously had little immediate impact. The Vietnamese have been compromised by their need to rely on the Soviet Union, and although ASEAN observers of Vietnam are generally agreed that it retains the potential to assert independence, survival has dictated the subordination of foreign policy to that of the Soviet Union. To this extent, Vietnamese policy towards ASEAN arouses suspicions in that concessions in favour of Vietnam would clearly enhance the Soviet presence in the region. No doubt, the Vietnamese would like to use and have used the threat of yet greater Soviet regional involvement to intimidate ASEAN but, as long as the organization can be assured of United States and Chinese support, such tactics are self-defeating. Nguyen Co Thach's journey did, none the less, confirm to the Vietnamese that a basis for a regional dialogue with ASEAN still existed, indicating that ASEAN had not yet moved to an uncompromising position. The Malaysian Foreign Minister, Ghazali Shafie, initially thought that there had been some change in Vietnam's attitude towards Kampuchea, as it no longer considered its position in that country to be irreversible.[13] Consultations between ASEAN members were initiated after the conclusion of the first part of Nguyen Co Thach's trip, leading to a meeting of ASEAN Foreign Ministers in Bangkok on 7 August, where it was affirmed that no change in Vietnamese policy had been perceived.[14] The Thai Foreign Minister, Siddhi Savetsila, travelled to Jakarta after Nguyen Co Thach had completed his sojourn in that capital city to assess the results with the Indonesians. The Thais concluded that Vietnam continued to seek a face-saving solution to the problem of Kampuchea[15] which was what Ghazali Shafie had earlier maintained. As long as ASEAN members, collectively or independently, retain some belief in Vietnam's willingness to seek a negotiated solution, Vietnam's ASEAN diplomacy has been partially successful.

[13] *Straits Times*, 31 July 1982. [14] *Bangkok Post*, 8 August 1982.
[15] *ibid.*, editorial, 17 November 1982.

Irish-America and Northern Ireland: an end to romanticism?

RAYMOND JAMES RAYMOND

TODAY there are five Irishmen in America for every Irishman in Ireland. Until recently it was these immigrants who provided the bulk of the money and arms to the Provisional IRA's terrorist campaign in Northern Ireland. Over the past three years, however, there is evidence to indicate that some of the old shibboleths are being called in question; that Irish-America is making a sustained effort to comprehend the complexities of Irish history in general and the Ulster problem in particular. This is not to suggest, however, that the heady vapours of celtic romanticism have lost their potency; quite the contrary. Rather, it is to suggest that Irish-America is a diverse ethnic community with varying levels of awareness, not a monolithic bloc of naïve romantics.

The historical background

Irish-Americans are Americans of Roman Catholic Irish descent, but not al are imbued with Irish-American nationalism nor have they all retained thei Catholic heritage.[1] Indeed, the vast majority have long been assimilated int the mainstream of American society. The modern Irish-American communit was, of course, founded by a massive influx of emigrants following the Grea Irish Famine of 1846–9.[2] In the wake of this appalling catastrophe, thousand of stricken victims emigrated to the United States bringing with them a hatre of Britain which they bequeathed to their children as a legacy of anglophobia Consequently, since 1850 Irish history has been inextricably bound up wit the Irish in America.

Although bitterly hostile towards the United Kingdom, the Irish emigran were at first politically impotent. They were socially disoriented and econom cally disadvantaged in a predominantly Anglo-Saxon culture which despised them

[1] See Thomas N. Brown, *Irish-American Nationalism 1870–1890* (New York: J. B. Lippincot 1966); Marjorie Fallowes, *Irish-Americans: Identity and Assimilation* (Englewood Cliffs, Ne Jersey: Prentice Hall, 1979); Carl Wittke, *The Irish in America* (New York: Russell and Russe 1970).

[2] See Terry Coleman, *Going to America* (New York: Pantheon, 1973); W. F. Adams, *Irelai and Irish Immigration to the New World from 1815 to the Great Famine* (New York: Arno Pre 1967); Robert E. Kennedy, *The Irish: Emigration, Marriage, and Fertility* (Berkeley: University California, 1973); and Kerby A. Millar, Bruce Bolling and David Doyle, 'Emigrants and exil Irish cultures and Irish emigration to North America 1790–1922', *Irish Historical Studies*, V XXII, No. 86 (September 1980), pp. 97–125.

[3] See H. M. Gitelman, 'No Irish need apply: patterns of and response to ethnic discriminati in the labor market', *Labor History*, 14 (Winter 1973), pp. 56–68; Stanley Feldsten and L. C tello, *A Documentary of the White Working Classes 1830–1970* (Garden City: Anchor Boo 1974), pp. 344–8.

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But the struggle of these emigrants against native hostility and socio-economic discrimination strengthened their identification with Ireland's difficulties and provided a powerful incentive to organize politically. With their remarkable genius for political organization, Irish-Americans quickly became a potent force not only in the Democratic Party, but also within the political system as a whole through a vast network of ethnic organizations. Between the Fenian rising of 1867 and the signing of the Anglo-Irish Treaty of 1921, this vast network of organizations worked diligently to keep guns and money flowing into Ireland.[4]

When viewed in historical perspective, the intense Irish-American agitation, particularly from 1919 through 1921, represented the apex of Irish-American nationalism. It is also worth noting that despite its extraordinary efforts, Irish-America really achieved very little. It failed to compel either the British or American governments to take decisive action on the Irish question and failed even more dismally to have Irish independence placed on the agenda of the Versailles peace conference. Arguably, the only real contribution which Irish-America made to the solution of Anglo-Irish difficulties was to help shape world opinion. It played little or no role in influencing British official or public attitudes towards British policy in Ireland—*the* decisive factor in ending the Anglo-Irish War.[5]

Throughout the 1920s and 1930s, Irish-America declined rapidly in significance. Its influence on Irish affairs was reduced; as a distinct entity, it even began to disintegrate. There were two main reasons for this development. The first was the achievement of Irish independence and the ensuing civil war; the second, a major Irish-American identity crisis.[6]

The Anglo-Irish Treaty signed on 6 December 1921 gave Ireland a substantial measure of autonomy, and after this many Irish-Americans simply lost interest in Irish politics and dissociated themselves from Ireland and Irish culture generally. The brutal civil war which followed the signing of the Treaty horrified and alienated a substantial majority of the Irish-American community. The agonies of this fratricidal conflict only intensified the desire of many Irish-Americans to disengage completely from Irish affairs.

Irish-American anglophobia was also weakened because of the 1924 Immigration Act which restricted the flow of Irish emigrants, and because of a profound identity crisis which weakened their psychological dependence on Irish nationalism. Throughout the nineteenth century, Irish-Americans had

[4] See Charles Tansill, *America and the Fight for Irish Freedom* (New York: Macmillan, 1957); Brian Jenkin, *Fenians in Anglo-American Relations During Reconstruction* (New York: Macmillan, 1969); Alan J. Ward, *Ireland and Anglo-American Relations 1899–1921* (London: Weidenfeld, 1969); Francis M. Carroll, *American Opinion and the Irish Question 1910–1921* (Dublin: Gill and Macmillan, 1978); and William Shannon, *The American Irish* (New York: Macmillan, 1963).

[5] D. H. Akenson, *The United States and Ireland* (Cambridge, Mass.: Harvard University Press, 1972).

[6] See Lawrence J. McCaffrey, *The Irish Diaspora in America* (Bloomington: Indiana University Press, 1976), pp. 152–78; and Marjorie Fallowes, *op. cit.*, pp. 60–81.

blamed their low social status on the continued British 'oppression' of Ireland They insisted that Irish independence would somehow free them from th humiliation of Anglo-Saxon contempt. After the First World War, however many Irish-Americans began to lose their dependence on Irish nationalism as psychological crutch because they had begun to earn a higher social an economic status. By the late 1920s, many Irish-Americans were much too pre occupied with their new-found socio-economic success and the resultant fligh to the surburbs to worry about Ireland.[7]

Irish neutrality during the Second World War dealt a further devastatin blow to Irish-American nationalism. Prime Minister De Valera's refusal t abandon neutrality came as a profound shock to American public opinior even to the most anglophobic Irish-Americans.[8] American public opinion wa willing to acknowledge that Ireland had good cause to feel no gratitude to th British and remain out of their quarrels. But even Irish-Americans, whose sor and husbands were being conscripted for war against Germany, were finding very difficult to understand why Ireland should endanger the sea-lanes o which their loved ones were being transported to Great Britain. The wide held belief that the use of the Irish Treaty Ports at Cobh, Berehaven and Loug Swilly would have given greater protection to Allied convoys brought home t the Irish-Americans that Irish neutrality was a handicap in the successful pr secution of the war against the Nazis. When the young men returned to th United States at the end of the war with new expectations and a broader sen of vision, they brought with them a cultural whirlwind which was to weak further the old traditions.

The election of John Kennedy as President in 1960 not only marked th belated fulfilment of the wartime generation's political aspirations but al gave rise to an emotional Irish-American resurgence. But Kennedy was mo of a Harvard 'brahmin' than an Irish 'Paddy' and the Irish-America of th 1960s was not that of 1920. The great American economic boom of the 195 had brought increased social mobility and economic prosperity to dull th ethnic consciouness of Irish-America further.

Throughout the 1960s, two major forces conspired to intensify the d ruption of the traditional values of Irish-America: the reforms of the secor Vatican Council and the emergence of the 'counter-culture'. The Rom Catholic Church had always been an ethnic institution of vital importance influencing the thinking of the Irish-American community. The revolution changes of Vatican II had a disturbing effect on conservative Irish-Americ

[7] See W. Lloyd Warner and Leo Srole, *The Social Systems of American Ethnic Groups* (N Haven: Yale University Press, 1954), pp. 71–2. See also M. Barron, 'Intermediary: conceptua ing Irish status in America', *Social Forces*, 27 (March 1949), pp. 256–63.

[8] See Raymond James Raymond, 'American public opinion and Irish neutrality 1939–194 *Eire–Ireland* (forthcoming March 1983); John Stack, *International Conflict in an Ameri City: Boston's Irish, Italians, and Jews 1935–1944* (Westport, CT.: Greenwood Press, 197 pp. 118–23 and pp. 124–60; and Ronald Bayor's *Neighbors in Conflict: The Irish, Germa Italians, and Jews of New York 1929–1941* (Baltimore: Johns Hopkins University Press, 197 pp. 110–12.

families already reeling under the impact of the 'counter-culture' with its emphasis on self-awareness and its new sexual morality. Although there were some countervailing forces striving to sustain Irish-American traditions, by 1969, when violence erupted in Ulster, the Irish-American response was timid, confused and uncoordinated.

Various levels of perception

Over the past twelve years, the Irish-American community has followed closely the tragic events in Northern Ireland. The degree to which they have become involved in the conflict has to a large degree been a function of how they have perceived the problem. Unfortunately, since 1969 Irish-Americans have been confronted by two obstacles in understanding developments in Northern Ireland. First, their vision has sometimes been clouded by the romantic mists of Irish-American nationalism which continues to present the Provisional IRA as heroic martyrs for the 'old cause'. Second, American television has unwittingly fostered this misconception by acting as a channel through which the Provisionals have presented themselves in the compelling role of opponents of British imperialism and champions of traditional Irish republican objectives.[9] It is not at all surprising that there has been a tendency among some Irish-Americans to view the solution to the Ulster crisis in simplistic terms. For example, there is a widespread belief that the immediate removal of British troops would bring an immediate end to the violence, and that a victory for the Provisional IRA would guarantee full civil and political rights for the Roman Catholic minority in Ulster. Still more serious, the Irish-American view of Irish history is very often romanticized and unhistoric. It can be summarized in three simple propositions: (i) the history of Ireland is a history of British oppression; (ii) the British presence in Ireland has been disastrous for the Irish people and (iii) Irish freedom had to be achieved through violence.

This warped view of Irish history is particularly prevalent among those Irish-Americans whose knowledge of Irish history is founded principally on the received wisdom of parents and grandparents. Direct contact with and knowledge of the realities of Northern Irish life is often minimal. The historical complexities underlying the origins of the Northern Irish state, as well as recent British legislative and administrative initiatives which have dealt with legitimate Catholic grievances, have been overlooked. Until recently, there has been very little questioning of commonly held assumptions about the nature of Irish identity, or about the role and necessity of violence in the amelioration of political, economic and social injustice.

Unfortunately, the American media coverage of Northern Ireland has reinforced this old set of beliefs by presenting the conflict in simplistic terms. Covering the Northern Ireland conflict is a task for which American television reporters are unprepared. They have neither the sources in Northern Ireland

[9] See Neil Hickey, 'The battle for Northern Ireland', in *TV Guide* 29, No. 29, 26 September 1981, pp. 8–28.

blamed their low social status on the continued British 'oppression' of Ireland. They insisted that Irish independence would somehow free them from the humiliation of Anglo-Saxon contempt. After the First World War, however, many Irish-Americans began to lose their dependence on Irish nationalism as a psychological crutch because they had begun to earn a higher social and economic status. By the late 1920s, many Irish-Americans were much too preoccupied with their new-found socio-economic success and the resultant flight to the surburbs to worry about Ireland.[7]

Irish neutrality during the Second World War dealt a further devastating blow to Irish-American nationalism. Prime Minister De Valera's refusal to abandon neutrality came as a profound shock to American public opinion, even to the most anglophobic Irish-Americans.[8] American public opinion was willing to acknowledge that Ireland had good cause to feel no gratitude to the British and remain out of their quarrels. But even Irish-Americans, whose sons and husbands were being conscripted for war against Germany, were finding it very difficult to understand why Ireland should endanger the sea-lanes on which their loved ones were being transported to Great Britain. The widely held belief that the use of the Irish Treaty Ports at Cobh, Berehaven and Lough Swilly would have given greater protection to Allied convoys brought home to the Irish-Americans that Irish neutrality was a handicap in the successful prosecution of the war against the Nazis. When the young men returned to the United States at the end of the war with new expectations and a broader sense of vision, they brought with them a cultural whirlwind which was to weaken further the old traditions.

The election of John Kennedy as President in 1960 not only marked the belated fulfilment of the wartime generation's political aspirations but also gave rise to an emotional Irish-American resurgence. But Kennedy was more of a Harvard 'brahmin' than an Irish 'Paddy' and the Irish-America of the 1960s was not that of 1920. The great American economic boom of the 1950s had brought increased social mobility and economic prosperity to dull the ethnic consciouness of Irish-America further.

Throughout the 1960s, two major forces conspired to intensify the disruption of the traditional values of Irish-America: the reforms of the second Vatican Council and the emergence of the 'counter-culture'. The Roman Catholic Church had always been an ethnic institution of vital importance in influencing the thinking of the Irish-American community. The revolutionary changes of Vatican II had a disturbing effect on conservative Irish-American

[7] See W. Lloyd Warner and Leo Srole, *The Social Systems of American Ethnic Groups* (New Haven: Yale University Press, 1954), pp. 71–2. See also M. Barron, 'Intermediary: conceptualizing Irish status in America', *Social Forces*, 27 (March 1949), pp. 256–63.

[8] See Raymond James Raymond, 'American public opinion and Irish neutrality 1939–1945', *Eire-Ireland* (forthcoming March 1983); John Stack, *International Conflict in an American City: Boston's Irish, Italians, and Jews 1935–1944* (Westport, CT.: Greenwood Press, 1978), pp. 118–23 and pp. 124–60; and Ronald Bayor's *Neighbors in Conflict: The Irish, Germans, Italians, and Jews of New York 1929–1941* (Baltimore: Johns Hopkins University Press, 1978), pp. 110–12.

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nor the necessary knowledge of Irish history. This lack of balanced information about Irish history and the changing conditions in Northern Ireland since 1968 has led many Irish-Americans of sincere goodwill to lend moral, and often financial, support to the Provisional IRA.

Nevertheless, one must be extremely careful in making any generalization about the Irish-American community's response to developments in Ulster. Although most Irish-Americans share to some degree a common perception of the IRA, it is important to distinguish between a number of distinct 'layers' in the Irish-American perception of and response to the Ulster crisis since 1969. At one level, there is the general Irish-American response weakened by nearly a century of assimilation, economic progress and social mobility. Very often this vision of Ireland is clouded by a romantic haze; but while vaguely supporting the concept of Irish unity, the majority do not support the Provisional IRA. On the whole, these Irish-Americans are sincere and well-intentioned people, but their romanticism leaves them vulnerable to manipulation by groups such as Irish Northern Aid or by visiting IRA propagandists from Ireland. Generally, this group of moderate Irish-Americans have held aloof from the IRA, but their psychological predispositions lead them to sympathize with friends who are directly involved. All too often, they attend Irish Northern Aid (Noraid) functions or allow funds from their own organizations to be diverted to Noraid. What is particularly encouraging about this group, however, is that in recent years they have turned away from Noraid. In response to the sustained efforts of the British and Irish governments as well as numerous private lecture tours by Irish academics, journalists and politicians, this 'layer' of Irish-Americans is slowly becoming aware of the complexity of the Ulster situation. Although their knowledge is at yet superficial and often confused, this, the mainstream of Irish-American opinion, is now demonstrating a willingness to listen to a broad range of opinions and a capacity of mind to reassess old assumptions. Anyone who wishes to understand the present struggle in Northern Ireland must know a lot; moderate Irish-American opinion is now beginning to discover that a little learning can be a very dangerous thing.

Perhaps the most encouraging development within the Irish-American community has been the emergence of a second new 'layer' of well-informed opinion among younger professional Irish-Americans. This group of academics, lawyers, accountants and other professionals has come into prominence within the past three years and has assumed prominent positions in a variety of Irish-American organizations. Many of these individuals are specialists in the field of Irish studies; many more are highly educated, thoughtful professionals who are pursuing their interests in Irish affairs with great intellectual rigour. This new development has found its tangible manifestation in the founding of such new organizations as the San Francisco Forum, the Philadelphia Forum and the Boston-based Northern Ireland Symposium Committee. Each of these new organizations recognizes that whether the widespread American concern for Northern Ireland will be a help or a hin-

drance to the cause of peace and reconciliation largely depends upon the Irish-American community and its leaders obtaining accurate information about the origins of the present conflict and the common problems faced by Protestants and Catholics north and south of the border. Accordingly, these new organizations have set out to stimulate a reassessment of previously held assumptions about the origins, nature and possible solutions of the Ulster crisis. In particular, they have five major objectives: (i) to present the Irish-American community with accurate information about the political, social and economic changes that have occurred in Northern Ireland since the emergence of the civil rights campaign in 1968; (ii) to focus attention on the economic and social problems common to Protestant and Catholics alike on both sides of the border; (iii) to present information on groups, institutions and people involved in community reconciliation and cross-border co-operation; (iv) to provide an alternative to the skeletal coverage of Northern Ireland by the American mass media; and (v) to encourage a realistic understanding of Irish history. The contributors to these symposia include prominent Irish historians, lawyers, diplomats, economists, clergymen, writers and journalists whose experience provides fresh perspectives and additional impetus for the work of these new Irish-American groups.

How can we explain this extraordinary renaissance in Irish-America? The two main factors involved seem to be the 'roots syndrome' and the greater economic security of Irish-Americans. At one level, it might be argued that the new interest in Irish history, and the more serious approach to Ulster generally, is a result of the quest for identity so characteristic of many racial and ethnic groups in the United States in the 1970s spawned by the television series 'Roots'. At a deeper level, however, this resurgence is a result of the fact that in the 1970s, a new generation of Irish-Americans now secure in society became interested in re-establishing ties with Ireland. Scheduled international jet travel between the United States and Ireland facilitated this process of rediscovery, and by the beginning of the 1980s more Irish-Americans had visited Ireland than at any other time in history. The result of this was a greater sense of realism and a sober realization that the Ireland of their dreams had vanished forever. In its place was a sophisticated, modernized Ireland with all the normal problems of a growing industrial state—and a lot more besides.

Despite these encouraging developments, however, there is still another layer of Irish-Americans impervious to rational argument: the members of Irish Northern Aid and the other components of the Provisional IRA support system. This body of opinion, although small, is extremely dangerous. These Irish-Americans (often composed of recent immigrants from Northern Ireland together with Irish-American Vietnam veterans) are not very different from Provisional IRA supporters in Ireland in the historical basis of their arguments and the depth of their feelings.[10] They are sustained by a warped nostalgia for a

[10] Dennis Clark's study, *Irish Blood: Northern Ireland and the American Conscience* (London: Kennikat Press, 1977), pp. 29–41 and pp. 51–61, offers a valuable insight into the minds of this kind of Irish-American.

past that never existed. The chief assumption underpinning their support for terrorism is that British government in Ireland has been a disaster, that the Irish people have consistently expressed a deep desire for unity, and that the state of Northern Ireland is a contrived English fixture, an instrument of British imperialism. The Provisionals, therefore, are seen as the heroic opponents of British oppression and the champions of a united Ireland. This small minority of Irish-Americans is driven by a blind elemental malevolence and has no faith in power-sharing or any rational political compromise. They want no guarantee of minority rights from the United Kingdom, the United States or the United Nations. They believe that their claim to full sovereignty over Northern Ireland is historically justified, but must be enforced by the force of arms. Their perception of Ireland is simplistic, intolerant and unhistoric.

The ignorance and blind hatred of this minority of Irish-Americans has caused hundreds of violent deaths in Northern Ireland, for it was they who supplied a large proportion of the money and weapons that caused the deaths. It is impossible to know how many illegal arms the IRA have smuggled in from the United States. It is equally impossible to determine how they are brought in. Some estimates would suggest that at least six and perhaps as many as eight out of ten illegal weapons smuggled into Ireland come from the United States. Most of them were bought with funds donated by the first layer of naïve Irish-Americans in the belief that the money was being used to relieve the sufferings of innocent victims in Northern Ireland.

Conclusions

Nevertheless, to equate this minority opinion with the views of the Irish-American community as a whole is to oversimplify. The vast majority of Irish-Americans are sincere, well-intentioned people who repudiate violence in all its forms. This article argues that Irish-America is a complex ethnic community characterized by a number of different layers of opinion. These layers range from the determined advocates of violence such as Noraid, through the vast majority of Irish-Americans (who are somewhat confused), to the new emerging Irish-American élite which is extremely well informed and which is playing a very constructive role in educating the Irish-American comunity as a whole.

Perhaps the real challenge for the United Kingdom is to assist in this process of separating the 'fish from the sea': to persuade Irish-American opinion to continue to abandon its support for the Provisional IRA and to disown its American support network. The following steps need to be taken. In the first place, Britain should acknowledge the legitimacy of Irish-American interest in Ulster. To tell Irish-Americans that they have no right to be concerned about developments in Ulster or to deprive them of a constructive role is to drive them into the arms of Noraid. Second, the British Information Service in New York must redouble its efforts to reach the Irish-American community—particularly through the new electronic technologies such as cable television. Third, presenting its case to the American public, BIS should lay a greater

emphasis on the efforts of the security forces in Northern Ireland to combat Protestant terrorist organizations. There is nothing that antagonizes Irish-Americans more than crude 'Provo-bashing'. This is a task which will require extraordinary sensitivity to Irish-American susceptibilities, but if ever there was a propitious moment for constructive bridge-building to the Irish-American community, that moment is now.

Ireland in transition

JONATHAN MARCUS

LAST November, Irish voters went to the polls for the Republic's third general election in under eighteen months. The year had begun with a fragile minority administration, a coalition of *Fine Gael* and Labour, and was replaced in February 1982 by a *Fianna Fáil* government, headed by Charles Haughey, relying for its majority on the support of the Workers Party[1] and Independent deputies. The collapse of this precarious arrangement precipitated the elections of 24 November 1982, which led to the return of the *Fine Gael*/Labour coalition under Garret FitzGerald, with an overall majority of six seats in the Irish Parliament, the *Dáil*.

Such political instability is uncharacteristic of the Republic. Irish politics have traditionally been dominated by the *Fianna Fáil* party, which held office for sixteen years (1957–73) and was again returned to power in 1977, following a landslide victory. During the intervening years, Ireland was ruled by a National Coalition, made up of Labour and *Fine Gael*. Furthermore, a minority *Fianna Fáil* administration, elected in June 1961, had been able to survive for three and a half years.

The recent turnover of governments is due, in part, to the mounting crisis within the once dominant *Fianna Fáil* party, the consequent weakening of its appeal, and its inability to turn its traditional strength into a stable parliamentary majority.

The lack of a secure government hampered attempts to deal with Ireland's grave economic problems. A massive budget deficit and steeply rising unemployment required a clear and firm response on the part of the government, yet successive attempts to introduce austerity measures foundered upon the

[1] The Workers Party, formed in January 1977 from the 'official' wing of *Sinn Féin*, won their first seat at the June 1981 election. They are a Marxist and anti-nationalist party. In the North, they are associated with the Republican Clubs and advocate the replacement of sectarian politics by class politics.

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effective veto of a handful of deputies. Economic crisis and political instability combined to create an atmosphere of uncertainty.

New pressures

Ireland is a nation in transition.[2] The last twenty-five years have witnessed significant social and economic changes. Industrialization and economic growth have produced a more modern and urbanized society. The late 1950s and early 1960s represent a watershed in Ireland's development. The introduction of national economic planning and improved export opportunities led to a period of sustained economic growth and substantial social and demographic consequences. With better prospects at home, emigration declined. Indeed, many of those who had sought work overseas, now returned home, causing a small annual net inflow of population during the middle 1970s. The industrial labour force increased, whilst the numbers employed in agriculture declined markedly. By the late 1970s, some 20 per cent of the work-force was employed in agriculture, compared with nearly 47 per cent in 1946. There was a movement into the towns, a majority of the population becoming urban dwellers; Dublin now has a population of over one million, nearly a third of the nation's population. After 1961, Ireland experienced its first sustained population growth since the Famine. A population which had fallen to 2·8 million in 1961, grew apace to stand at some 3·4 million in 1981. The age structure of the population changed markedly: in 1979, 47·9 per cent were under twenty-five years of age. Thus Ireland was faced with a rapidly expanding labour force at a time of severe recession with a dependency ratio far higher than any other EEC country.

Urbanization, the expansion of higher education and the creation of a national television service (RTE) in 1962, all served to open up society to new influences and pressures. Though religious observance is still high, there has been a degree of secularization in Irish society; issues such as contraception and divorce are publicly debated and polls indicate a growing desire for a more liberal attitude to such matters.

Ireland's entry into the European Community in 1972 served to emphasize its growing independence from Britain. In 1971, two-thirds of Irish exports were destined for the United Kingdom, with only 10 per cent going to the Community countries. Today, less than 40 per cent of exports are bound for the UK, whilst more than 30 per cent go to the other Community nations. Initially, the financial benefits of accession were considerable, especially for the agricultural sector. After Ireland's own contributions to the EEC budget are accounted for, the Republic received a net gain from grants and subsidies of nearly £2,500 m.[3] between 1973 and 1981. Irish farmers gained both guaranteed prices and markets for their produce. However, the entry of the

[2] For a more detailed discussion of various aspects of socio-economic change in Ireland over the last twenty-five years, see Frank Litton (ed.), *Unequal Achievement: The Irish Experience 1957–1982* (Dublin: Institute of Public Administration, 1982).

[3] All figures quoted in this article are in Irish pounds.

Irish pound into the European Monetary System in 1979 has caused problems. Agricultural incomes have fallen and many farmers who over-invested in land during the boom, now find themselves in financial difficulties.

Despite the onset of recession, governments continued to increase spending, which had to be financed by more borrowing. Much of this money was simply used for further consumption. Prices rose dramatically during the early part of 1982, with falling consumption resulting in a shortfall of planned tax revenue that exacerbated Ireland's burgeoning budget deficit. By the end of September, this had risen to over £900 m. Unemloyment rose steeply to stand at 165,015 last October, a rise of almost 5,000 in one month. Nearly one-third of the total jobless were under the age of twenty-five. The serious level of youth unemployment was seen as the principal factor behind an increase in urban crime. Unemployment quickly became the central political issue.

No clear majority

Yet, faced with Ireland's mounting economic difficulties, governments seemed unable to secure a clear majority in the *Dáil* to pass the necessary budgetary measures. Garret FitzGerald's shaky coalition fell on 27 January 1982, when its budget was defeated by one vote. The Independent Socialist deputy, Jim Kemmy, refused to countenance the proposed introduction of taxation on children's clothing and footwear. In retrospect, it seems surprising that the Coalition chose to go to the country—after the introduction of such a severe budget—rather than attempting to negotiate a compromise with the various independent deputies.

The general election of 18 February 1982 proved inconclusive.[4] *Fianna Fáil* gained three seats and the Coalition lost two, but the balance of power remained in the hands of the Workers Party and Independent deputies. Inter-party discussions ensued and when the twenty-third *Dáil* met on 9 March, Mr Haughey, the *Fianna Fáil* leader, was elected *Taoiseach* (Prime Minister), by 86 votes to 79.[5] The new government set about introducing its own budget, the main outlines of which were broadly similar to those of the previous Coalition Budget. The new Minister for Finance, Ray MacSharry, claimed that tight control of the economy was no longer necessary and promised a period of 'boom and bloom'. Despite its claims that the economic position was improving, on 30 July when the *Dáil* was in recess, the government was forced to introduce a surprise package of spending cuts and a public sector pay freeze. Amidst mounting internal unrest within his own party and a growing catalogue of political scandals involving his associates, Mr Haughey's government

[4] The results were: *Fianna Fáil* 47·25 per cent of the vote and 81 seats; *Fine Gael* 37·3 per cent, 63 seats; Labour 9·1 per cent, 15 seats; Workers Party 2·3 per cent, 3 seats, Independents 4 per cent, 4 seats. Thus neither a Labour/*Fine Gael* coalition with 78 seats or *Fianna Fáil* held an overall majority in the 166-seat *Dáil*.

[5] After three weeks of deadlock, Haughey was able to muster, in addition to the 81 votes of his own party, the three Workers Party deputies and two of the Independents. One Independent, the Dublin deputy Tony Gregory, was granted a spectacular package of commitments in return for his vote, involving the spending of large sums of public money.

fell on a motion of no confidence on 4 November. The three Workers Party deputies, angered by proposed cuts in the health service voted with *Fine Gael* and Labour.

The two previous elections had taken their toll of party finances and all three of the major parties fought the next campaign with markedly lower budgets. The outgoing government campaigned on the need to avoid another hung *Dáil* and claimed that only *Fianna Fáil* could provide a government with an overall majority. The Haughey government had already published its economic plan—'The Way Forward'—which set a target budget deficit for 1983 of £750 m. This was backed up, mid-way through the campaign, by the publication of the government's Book of Estimates. This outlined detailed spending plans for the coming year and promised a deflationary package, cutbacks in public spending and local authority finance, and an additional tax burden of some £160m. *Fianna Fáil* could claim with some justification that it was clearly laying the details of its economic programme before the electorate.

Fine Gael's economic aims were set out in more general terms. Unemployment was the key issue. The party aimed to eliminate the budget deficit over a four-year period whilst maintaining the real value of welfare benefits and cushioning the lower paid. *Fine Gael* also proposed to introduce a *Garda* authority to lessen the danger of political interference with the police force, and FitzGerald hinted at radical new proposals on the North. Whilst *Fine Gael* justly castigated the Haughey government for making frequent U-turns in economic policy and for serious economic mismanagement, there was little difference in the economic policies being offered to the electorate by the two main parties. Neither successfully explained how it would reconcile the need for large spending cuts to reduce the budget deficit with measures designed to increase employment.

The Labour Party entered the campaign under a new leader following the defection of Michael O'Leary to *Fine Gael*. The Party's annual conference in Galway had rejected O'Leary's electoral strategy and, following his subsequent resignation, he was replaced by Dick Spring. The leadership succession seems to have done little harm to the party and Spring combines two important credentials for success in Irish politics—an impeccable political pedigree inherited from his father and popularity as an international sporting star (Spring had played rugby for Ireland). Whilst identifying unemployment as the major election issue, Labour doubted the ability of the private sector to create jobs and proposed the setting up of a National Development Corporation with a £500 m. holding of equity capital in industry and very large borrowing powers. The better off would foot the bill for job creation measures: Labour proposed new capital and wealth taxes to bring in some £200 m. over the next year. Spring emphasized that the Labour Party would fight the election on the basis of its own Socialist policies, in conformity with the views of the Galway Conference decision of October. Thus, unlike the 1973 campaign, both Labour and *Fine Gael* were fighting on separate platforms. *Fine Gael* was looking for an overall majority in its own right, while Spring empha-

sized that Labour would talk to all parties after the results were known; any decision on support for a government would have to be put to a special party conference. Although Spring did not explicitly advise Labour voters to use their second preference votes[6] to support *Fine Gael* candidates, he expressed his personal preference for Garret FitzGerald as the next *Taoiseach*.

The Workers Party campaigned for a united Left opposition to the two major parties, whose economic policies they regarded as equally reprehensible. They wanted a fundamental shift in the tax burden away from the PAYE sector to the wealthy. The party leader, Tomas MacGiolla, asserted that if there were to be another hung *Dáil*, the Workers Party would oppose any budget that attacked working-class living standards. They urged the two major parties to form a 'grand coalition' to implement their conservative policies and hinted that if they failed to do this, the Workers Party might precipitate yet another general election.

The campaign was characterized by an increasing level of mud-slinging and recriminations, following Haughey's attempt to play upon the abortion issue and to introduce the 'green card' into the election. Haughey claimed that *Fine Gael* was less than committed to the introduction of an early referendum, which aimed at enshrining the already existing legal prohibition of abortion in the Republic's Constitution. He also attacked Garret FitzGerald for being in secret collusion with the British government and called upon Britain to keep out of Irish domestic politics. FitzGerald's announcement of his support for an all-Ireland police force to complement the *Gardai* and Royal Irish Constabulary, together with an all-Ireland Court to try security offences, did little to clear the air.

Fianna Fáil unscrupulously attempted to capitalize on the public's confusion regarding FitzGerald's proposals, claiming they meant that the Royal Ulster Constabulary would be patrolling Dublin's streets and that the violence in the North would be imported into the South. Opinion polls—which at one point during the campaign had suggested the possibility of a *Fine Gael* majority—indicated a movement towards *Fianna Fáil*. FitzGerald's proposals were poorly understood and the introduction of all-Ireland institutions into the campaign was probably a mistake. Yet, the North was not a major election issue; only 5 per cent of those polled regarded it as an important issue, and it figured well down the list, headed by unemployment (75 per cent) and inflation (31 per cent). Indeed, the polls indicated that voters felt a FitzGerald government would handle the Northern question better.[7] *Fianna Fáil* had perhaps conducted a more efficient and harder hitting campaign, but there was little comfort for Haughey. On the eve of the ballot, both *Fianna Fáil* and *Fine Gael* were claiming that an overall majority was in sight, but these claims lacked conviction. Would Ireland have a stable government after the November election?

[6] The electoral system used in Ireland is proportional representation, using a single transferable vote in multi-member constituencies. The electoral system is popular, two attempts to change to a simple majority system having been defeated at referenda in 1959 and 1968.

[7] Irish Times/MRBI Poll, published in *The Irish Times*, 23 November 1982.

Election outcome and Fianna Fáil crisis

The election results closely followed the opinion poll predictions, no single party having an overall majority.[8] The turnout of 72·8 per cent was a little down on the previous election, though still a respectable figure. The 'green card' seemed to have had little effect, with *Fianna Fáil* losing two marginal seats in border constituencies. At the start of December, the *Fine Gael* and Labour party leaders met to discuss a possible coalition package. Spring signalled a seemingly hard-line attitude on the part of Labour, stating that he had no desire merely to prop up another party's government. Labour was interested in having some of its own policies implemented and that implied 'power sharing'.[9] Both sides emphasized the difficulty of negotiations, yet it came as no surprise when agreement was reached and the coalition programme was accepted by a special delegate conference of the Labour Party in Limerick, by 846 votes to 522.[10]

Though the Coalition programme was in no sense a victory for the Labour Party, the pressures on Spring to enter a coalition and provide the country with a stable government were great. *Fine Gael* made few concessions to their coalition partners, as the Coalition's swingeing Budget of 9 February confirmed. Indeed, the economy was felt to be in such a serious state that a 'mini-budget' was introduced during the Christmas recess. This raised the price of alcoholic drinks, tobacco and fuel oils, and aimed to raise £119 m. during 1983.

The opening budget deficit for 1983 stood at a phenomenal £1,250 m., whilst unemployment soared in January to a record level of 187,006, an estimated 14·5 per cent of the total labour force.[11] With every sign that the recession was biting deeper, the Coalition introduced the most severe budget in Ireland's history. This hoped to reduce the budget deficit to £897 m. during 1983. Its effects will be severely deflationary and are likely to erode living standards and worsen unemployment.[12] The government has increased its revenue from taxation by some £202 m., whilst cutting the level of potential expenditure by £360 m. Although social welfare and unemployment benefits have gone up, there is little else to comfort the Labour Party. The budget included little emphasis on capital taxation—Labour's desired Property Tax, the details

[8] *Fianna Fáil* 75 seats; *Fine Gael* 70 seats; Labour 16 seats; Workers Party 2 seats; Independents 3 seats. The percentages of first preference votes obtained by each party were respectively: 45·2 per cent; 39·22 per cent; 9·36 per cent; 3·25 per cent; 2·97 per cent. *ibid.*, 27 November 1982.

[9] *ibid.*, 1 December 1982.

[10] The trade union and Dublin constituency party delegates were generally against coalition. Joe Higgins, a member of the party's Administrative Council summed up their attitude, when he stated that to enter a coalition 'would open a chapter of horrors' for the party and that Labour ministers would become 'prisoners of the dire economic crisis of Irish capitalism'. *ibid.*, 9 December 1982.

[11] *ibid.*, 8 February 1983.

[12] An independent study conducted by the Economic and Social Research Institute suggests that the government figures are wrong and that the deflationary impact of the budget will be even greater, reducing the budget deficit to £750 m., the target of the previous *Fianna Fáil* government and published in 'The Way Forward'. Labour had wanted the deficit to be cut to only £900 m. in the first year and greater steps to be taken to cushion the impact upon the lower paid. *ibid.*, 11 February 1983.

of which remain unclear, will net a mere £10 m. during 1983. There has been little attempt to redistribute the tax burden and the PAYE sector is likely to suffer heavily.

The budget seems to have crept up on the nation almost unawares, since public debate following the general election has been dominated by two other issues: the challenge to Haughey's continued leadership of *Fianna Fáil* and the controversy surrounding the abortion referendum.

Fianna Fáil is passing through the greatest upheaval in its history. The party leader, Charles Haughey, despite proven electoral unpopularity and the ever more dubious activities of his associates has survived three attempts to oust him from the party leadership. Haughey's critics claim that in 1981 his leadership lost the party an 18-seat majority and that in the February 1982 election, despite the most favourable conditions, *Fianna Fáil* again failed to secure a majority. The divisions within the party are not ideological but reflect an internal struggle for power and an antipathy, in some quarters, to Haughey's style of leadership. They date back to the bitter divisions promoted by the 'arms crisis' in 1970, when Haughey was dismissed from the Cabinet for alleged arms smuggling, though subsequently acquitted in court. Rehabilitated in 1975, Haughey became Minister for Health in the 1977 government. In the meantime, he assiduously cultivated the grassroots of the party, exploiting the Republican tinge in the party's western bastions and ingratiating himself with the backwoodsmen. Indeed, Haughey's victory in the leadership contest in 1979, following the resignation of Jack Lynch, was widely interpreted as the victory of the grassroots' candidate over George Colley, the preferred choice of the parliamentary party. The number of 'grotesque, unprecedented, bizarre and unbelievable'[13] incidents surrounding Mr Haughey continued to grow. Last October, Haughey weathered a no-confidence motion at a meeting of the *Fianna Fáil* parliamentary party, although 22 deputies voted against him. A further election defeat and the telephone bugging scandal increased this number to 33. *The Irish Press* ran the former *Taoiseach's* political obituary, but Haughey survived. Paradoxically, the media whom Mr Haughey regards as being totally against him may in fact have exaggerated the groundswell of support claimed on his behalf.[14] However, Haughey's opponents were unable to agree on a generally acceptable alternative candidate, and he was able to outmanoeuvre them by delaying the vote on his leadership until an internal party commission had presented its report on the telephone tapping scandal, exonerating the party leader. Haughey also appealed over the heads of the deputies to the grassroots, an important factor influencing the crucial group of middle-ground deputies, who at the last moment rallied to Haughey.[15] The Haughey victory has merely entrenched the divisions within the party.

[13] Mr Haughey's own words that have passed into the political vocabulary as 'the GUBU factor', so characterized by Dr Conor Cruise O'Brien.

[14] Haughey does not control the grassroots of *Fianna Fáil*, but his supporters are strong amongst local party activists in party branches throughout the country. In some senses, Haughey's support resembles the 'Bennite' phenomenon in Britain.

[15] Haughey retained the leadership by 40 votes to 33. Yet, a week earlier, 41 deputies had signed a petition calling for a meeting of the parliamentary party to discuss the leadership question.

Fianna Fáil remains fundamentally split, and it is hard to see how the warring factions can long be contained within the same party.

The abortion controversy

Though abortion is illegal in the Republic, anti-abortion pressure groups wish to underpin this legal prohibition by inserting a clause into the Constitution protecting the rights of the unborn child. Nobody has publicly called for a legalization of abortion, yet anybody who questions the desirability of a constitutional amendment has been vilified by the pro-amendment lobby and the provincial press. Two deputies who took up a public stance against the amendment campaign, and dared to suggest that abortion might be allowed in such exceptional circumstances as rape, both lost their seats in the last election (one of them was the Chairman of the Labour Party). Charles Haughey was the first to take up the idea of an amendment and FitzGerald hastily (and perhaps unwisely) followed suit. However, the proposed wording of the amendment, allowing as it does for the very two exceptions to the general prohibition of abortion countenanced by the Catholic Church,[16] is seen by many as a sectarian measure. The Protestant Churches have joined the women's groups and trade unions in opposing the amendment.

The debate clearly raises serious ethical and moral issues, and many have questioned the role of the Church hierarchy, which is regarded as tacitly supporting the pro-amendment campaign. Dr Conor Cruise O'Brien, writing in the *Irish Times* on 25 December, described Ireland as 'a democratic theocracy'. The issue raises serious problems for FitzGerald, whose constitutional crusade to remove clauses from the Republic's Constitution that might cause reservations amongst Unionist opinion in the North, seems in danger of being compromised. It looks likely that the wording of the proposed amendment may be changed and the referendum promised before 31 March will be postponed. It is hard to see how any compromise text will carry general favour, since the opponents of the amendment deny the right of the Constitution to legislate in this area.

Although opinion polls suggest that such an amendment would indeed be carried, this should not be interpreted as seriously qualifying the increasing secularization of Irish society. Many who support the amendment may well regard abortion as an issue apart, distinct from other matters such as contraception and divorce. There is a cultural antipathy towards abortion in a society where so many people still remember their rural roots and great importance is accorded to children and the family. Indeed, the significant figure will be those who vote against the amendment, which a recent poll, published in *The Irish Times* on 9 February, indicates may be as high as 25 to 30 per cent.

Problems and prospects

Political change in the Republic has not kept pace with social and economic

[16] The two exceptions are when the mother's life is in danger because of an ectopic pregnancy or when there is an early diagnosis of cancer of the uterus.

change. Though political debate now turns around material rather than nationalist issues, the basic pattern of party competition has remained the same. The fundamental line of cleavage remains the division within the nationalist movement over the 1921 Treaty with Britain, the division that precipitated the Civil War. *Fine Gael* is the party of those who accepted the Treaty; *Fianna Fáil*, founded by De Valera, the party of those who opposed the Treaty on their return to parliamentary politics after their defeat in the Civil War. Over the years, distinctions between these two inherently conservative parties have become blurred and their outlook has been increasingly pragmatic. They continue to dominate Irish politics: *Fine Gael* with its reformist face and *Fianna Fáil* with its residual streak of populist republicanism. Together, at the last election, they attracted some 84 per cent of the first preference votes and won 145 of the 166 seats in the *Dáil*.

There has been a tendency in recent years to over-emphasize electoral volatility in the Irish Republic. Traditional family political affiliations have tended to survive, despite increasing urbanization; thus, there is a striking stability of partisan allegiance amongst the population. Volatility is greatest in the Dublin area where *Fianna Fáil's* traditional working-class vote is under attack. The party's vote in the Dublin constituencies fell by over 4 per cent in the November 1982 election. *Fine Gael* is now the largest party in Dublin. Surprisingly, only four of Labour's 16 deputies represent Dublin constituencies. Labour was traditionally a rural workers' party and even today its greatest share of first preference votes were cast in the country constituency of Kerry North (28·9 per cent). Indeed, at the last election the Labour vote in Dublin fell slightly. Labour activists in Dublin are staunchly against participation in coalition governments, whilst the evidence of vote transfers suggests that the present Labour electorate largely supports coalition. The increase in the Workers Party vote at the November election must cause the Labour Party some concern.[17]

Coalition presents many problems for the Labour Party. Critics suggest that it leads to a blurring of the party's identity and has proved damaging at subsequent elections. The Labour anti-coalitionists point to the party's 1969 election result,[18] the high point in its history, as evidence that it can only improve its lot by campaigning on an avowedly Socialist programme with implacable opposition to any hint of coalition. Such critics also point to Labour's inability to extract concessions from its *Fine Gael* partners. This is to some extent justified yet tends to ignore the circumstances under which such coalitions have entered office. In 1973–7, it was important for the National Coalition to be seen to fall together, rather than in discordant parts, so as to legitimize the coalition concept in the eyes of the electorate. In 1982, the economic climate

[17] Between the February and November 1982 elections, the Workers Party total of first preference votes almost doubled in the Dublin area, rising from 15,748 to 29,155. In the November election, by way of comparison, the Labour Party gained 47,417 first preference votes.

[18] In 1969 Labour obtained nearly 225,000 votes, 17 per cent of the poll. However, Labour ran a record number of candidates at this election and the mounting total of votes was accompanied by the clatter of lost deposits.

hardly favoured concessions on the part of *Fine Gael* and there was a pressing need to provide stable government. The present coalition is likely to last out its term of office. Dick Spring may well hope that, after the recent budget, the worst is behind the Coalition and that he may be able to extract some concessions for Labour in the years ahead.

Irish politics are still characterized by a strong element of localism. The role of the deputy as political broker for his constituents continues to be important. Though national issues such as unemployment dominate general election campaigns, it is local personalities and local problems that make up the everyday currency of politics. This apparent 'backwardness' should not be deprecated. Ireland is a small country. The ratio of deputies to voters is in the order of 1 : 20,000, the deputy is often a familiar figure and in such a society democracy has perhaps some real meaning.

The impact of recession upon a demographically unstable society may well lead to political change, the creation of a 'market' for more radical solutions, though the direction of such change remains unclear. At present, there is little sign of any realignment which might herald the liberation of Irish party politics from the shackles of its origins in revolution and internecine war.

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Notes of the month

THE WEST GERMAN ELECTION

THE election of 6 March was remarkable for the range of fears and uncertainties aroused both in West Germany and abroad during the preceding campaign. Peculiar to the FRG's political system were fears about the legality of the election itself. Electors also faced changes from the familiar party groupings and broad national consensus prevalent until recently on defence, foreign policy and even, to a degree, on economic issues. With a record 2·54 million unemployed, the flagging economy presented pressing and divisive problems, to an extent with which Germans are only now becoming familiar. The questions over the deployment of Nato medium-range missiles on German soil was equally polarizing within the Federal Republic. For its Nato partners and for the two super-powers negotiating in Geneva, the outcome appeared so important that it occasioned unprecedented interventions during the election campaign and, in the West, widespread relief at the results.

The convincing victory of the Christian Democratic Union (CDU) led by the reassuring figure of Herr Helmut Kohl, and of its Bavarian partner the Christian Social Union (CSU) (together gaining 48·8 per cent of the vote), with their out-going rival the Social Democrats (SPD) dropping to 38·2 per cent, can be seen as a response to these uncertainties, many of which remain.

Ever since Herr Schmidt's ruling SPD–FDP coalition was defeated in the Bundestag on 1 October last year by the defection of members of the Free Democrat group,[1] there had been doubts about whether and how his successor as Chancellor, Herr Kohl, should seek a clearer mandate for his CDU–FDP government. With the next four-yearly election not due until October 1984, his choice of deliberately losing a vote of confidence in the Bundestag on 17 December to clear the way for elections raised serious doubts about their constitutionality. These were finally resolved only on 16 February when the Federal Constitutional Court ruled that the action had been justified by the uncertainty of a continued government majority.

Another feature of the election was the emergence since the previous Federal elections in 1980 of a new party, the Green/Alternative List alliance, and the altered role of the FDP following that party's change of sides. The Free Democrats had been beaten into fourth place by the Greens in state elections in Hesse and Hamburg in 1982; by January their opinion poll support was down to 3 per cent, and there were fears that they would fail to reach the 5 per cent of total votes necessary to remain in the Bundestag. One surprise of the recent election was the extent of the FDP's recovery to gain 6·9 per cent of the vote and 34 seats. It was in large measure the achievement of the Party Chairman, Herr Hans-Dietrich Genscher, the FRG's long-serving Foreign Minister, that the party capitalized—with tacit support from Herr Kohl—on its position

[1] See Jane Hall, 'Exit Herr Schmidt', *The World Today*, November 1982.

as a buffer against extremism, by persuading CDU supporters to cast their second vote for the FDP, to try to prevent the right-wing CSU of Herr Franz Josef Strauss from gaining undue influence in the governing coalition.

The Greens, an alliance of ecological and anti-nuclear groups, looked set after their successes in state elections to cross the 5 per cent threshold to gain seats in the Bundestag for the first time and possibly to replace the FDP as the third largest party. Because of their radical, and particularly their anti-nuclear activities, the prospect of a ruling alliance between Greens and a revived and more left-wing SPD was alarming to conservatives and moderates alike, at home and abroad. Now having gained 5·6 per cent of the votes cast, the Greens' group in the Bundestag with 27 seats is very little smaller than that of the FDP. The announced intention of the party's leaders, including Petra Kelly, is to use their position in Parliament to press, amongst other things, for more transparency in government, but to continue its direct action outside the Bundestag on ecological and nuclear issues.

Missile stationing in Germany was arguably the election issue on which most hung for the world at large, as well as for Germans. Chancellor Kohl made clear his unequivocal support of Nato's 1979 decision to station Pershing II and cruise missiles in Europe by the end of 1983 unless there is an agreement at the Geneva disarmament talks, whether or not other Nato countries install missiles (previously the condition laid down for deployment by Bonn). The West German stance on this issue was and is vital to the credibility of the West's bargaining position: too great a willingness to show flexibility, rather than a united Western front, was as likely to discourage Moscow from making real concessions as was public rejection of missile stationing in any circumstances (the position advocated by the Greens and the left wing of the SPD). The flexible position was exemplified by considerable public support for a delay in installing the weapons: in mid-January, opinion polls showed that 54 per cent of Herr Kohl's own supporters, 70 per cent of the Free Democrats and 65 per cent of SPD supporters wanted a postponement of the bargaining deadline.

This was why Herr Hans-Jochen Vogel, leader of the SPD, whose personal view of the rightness of the Nato course was probably as close to that of Herr Kohl as of Herr Schmidt, his predecessor, had an extremely delicate task in trying to reconcile the divisions within his own party, let alone in attracting additional Green support. His attempt at a flexible stance was viewed with alarm in the United States and approved in Moscow.

Whether the interventions of Washington and Moscow in the debate materially helped Kohl or hindered Vogel is hard to tell. Herr Vogel was well received in Moscow, but was later forced to disclaim the position of 'Moscow's candidate'. Mr Gromyko visited Bonn and warned West German voters against following the US lead on missile stationing, only to be accused by Herr Kohl of 'gross interference' in the election. Neither the lack of clarity of the divided SPD on the missile issue, nor the implications of being Moscow's friend were helpful to Herr Vogel's position.

The United States, too, showed its preference. President Reagan was forthright on the dangers for peace and disarmament if a Bonn government rejected the missiles. The US Vice-President, George Bush, on his tour of Western Europe to strengthen Nato resolve, indicated, however, that the US might not hold absolutely to the zero option in Geneva, thus making some concessions to doubts (even in CDU ranks) about the practicality of achieving that target. The French President, François Mitterrand, on a visit to Bonn to commemorate twenty years of the Franco-German treaty, also delivered an implicit warning to Bonn to stick to the agreed Western position. (Although welcoming the election results, the French have continuing anxieties about the effect on the franc of a strengthened Deutsche Mark.)

Despite a degree of resentment at such foreign 'intervention' in their election, it may have convinced voters of the prime importance of the disarmament negotiations, and the possibility of a Geneva success removing the need to deploy the missiles at all. If, however, it does become necessary to install even a limited number of new missiles, Herr Kohl's government will face difficulties from further massive demonstrations planned by the Greens, and possibly violent terrorist action.

If foreign and defence issues were more exciting, economic problems were none the less central to this election, and may well have been decisive in its outcome. The CDU was able to point to a jump in private investment by December in response to government incentives, and a slow-down in February of the rise in unemployment. CDU plans for public spending cuts, together with their record as the party of the 'economic miracle', may have seemed more convincing to businessmen and employees than did Herr Vogel's promises of further state spending to create jobs. Although the SPD could not rightly be blamed for the recession, they clearly lost much of their traditional support among trade unionists, who were also suspicious of Herr Vogel's attempts to woo the anti-system Greens. However, with the likelihood that unemployment will reach 3 million next winter, and the possibility that public spending cuts will involve cuts in social security payments, the outlook is still bleak and recovery may take some time.

The SPD may be destined for a long spell in opposition, led by Herr Vogel; some have already welcomed the opportunity this will afford for the party to resolve internal conflicts. For Herr Kohl's CDU–CSU–FDP alliance, government will not be easy, given the enormity of the tasks ahead in reviving the economy and in keeping public support on the missile issue, tasks unlikely to be made easier by the presence of the Greens. In the long run, too, it may be that among Herr Kohl's tougher challenges will be that of reconciling the disparate elements within his own coalition, exemplified by the rival claims to influence of Herr Genscher and Herr Strauss.

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THE PCI CONGRESS—WHAT ALTERNATIVE?

THE sixteenth congress of the Italian Communist Party (PCI), held in Milan from 2 to 6 March, illustrated both the party's considerable evolution in recent years, and the tensions in, and limits to, such change. The handling of *lo strappo*—the break—with Moscow strikingly measured the extent of the PCI's transformation. Many believed that Enrico Berlinguer's announcement in January 1982, reaffirmed in the congress document, that the evolutionary force of the Bolshevik revolution was now exhausted would dominate the discussions. The issue, however, aroused relatively little attention.

In the preparatory debates, the *vetero-comunisti*, led by Armando Cossutta, opposing *lo strappo*, won only 5–6 per cent of the votes. On the last day of the Milan congress, Cossutta finally conceded by withdrawing his amendments. The negative assessment of the Soviet model was accepted as something that went almost without saying. Another measure of change in the party was its willingness to characterize itself as explicitly reformist. 'A party for reform and government' went a headline in *l'Unità*, the party newspaper. Change, rather than a violent break, is seen to be an incremental process, building upon the past and compromising with the present.

The virtual non-event of *lo strappo* indicates that not only is the reality of the Eastern bloc unacceptable to many in the PCI, but, more importantly, the very tradition itself is of diminished relevance. Similarly, the willingness to style itself as reformist became greater as orthodoxy and ideology lost significance. Particularly during the boom years in the mid-1970s, those who flooded into the PCI were less attracted by an idealized tradition and a faith than by a party that appeared to understand their causes, that was advancing and that was going to get things done. At the Milan congress, nearly three-quarters of the delegates had joined since 1961.

The party's expansion brought with it important gains in local and regional government. Thousands of activists became mayors, councillors and administrators. At the preparatory provincial congress in Reggia Emilia (a PCI bastion), while one-quarter of the delegates were workers, another quarter were councillors. For many functionaries, party activity became administration, engendering a whole generation of *quadri* more skilled in pragmatism and mediation than shop-floor mobilization and protest in the *piazze*.

For this increasingly important element in the party, there remained the necessity of replacing the defunct historic compromise with a strategy offering both long-term success and immediate benefits. The PCI's return after 1979 to traditional opposition and protest aroused little enthusiasm amongst those attracted above all by the seeming imminence of the party's accession to power. This reveals the dilemma confronting the PCI. With over 30 per cent of the vote it *is* the Left. For such a mass organization, being a party of protest and denunciation is a precarious position unless it is also a credible alternative government. The party cannot expect to retain, even less to expand, its support if the prospect it offers is the virtual permanent exclusion of much of the

population from participation in government. The Milan congress, however, showed up the limits to the party's willingness to undergo some of the changes necessary for it to appear as a viable alternative to the Christian Democrats (DC). These can be identified in three main areas.

Firstly, there is the party's relationship with the Socialists (PSI) which, at present, could hardly be worse. If the Communists are to win office, Socialist co-operation is indispensable. Berlinguer stated, however, that the PCI-defined *alternativa* is not possible with the Socialists in their present state. This emphasizes the difficulty posed by the PSI which has pursued, of late, a strategy of aggressive independence, attempting to transform its position at the fulcrum of Italian politics from a handicap into an asset. In its hands lie the fate of the present DC government, and of a future PCI one. The Communists find it hard to accept this. Moreover, they take exception to the fact that the Socialists obviously judge a DC–PSI and a PSI–PCI coalition to be equally valid alternatives. Berlinguer's claim that dialogue is necessary, and yet impractical with the present PSI, reduces the validity of *l'alternativa,* lending credence to the suspicions that the PCI is still pursuing its traditional goal of hegemony on the Left. By showing itself willing to co-operate only on its own terms, the PCI is undermining the very alliance strategy necessary to render its proposals credible and practicable.

Secondly, there is the issue of internal reform. A system of organization —democratic centralism—designed for a tight, homogeneous revolutionary machine is ill-equipped to satisfy the exigencies of a mass, *interclassista,* self-styled governing party. The requirements of managerial efficiency have in many cases taken precedence over the capacity for ordered mobilization and protest. Futhermore, internal reform is crucial if the party is to acquire that democratic legitimacy which it hopes will win it sufficient support to carry it into office. The veteran campaigner, Pietro Ingrao, stated during the congress that the party must change itself in order to change society. And yet, those hoping for substantial reform remained disappointed. While the congress preparations witnessed considerable discussion, and on some occasions secret ballots, the Berlinguer line came through virtually unscathed. At the congress itself, the leadership's proposals received all but unanimous support. Berlinguer has effectively reinforced his position at the helm of the party. Though some change has certainly occurred, the substantial reforms urged by many seem unlikely to be acted upon when placed against the strong continuity running through the party's leadership and its *modus operandi.*

Finally, there is the problem of relations with the trade unions. Divided and weak, without a solid shop-floor tradition, Italian unions languished in the shade of the political parties for much of the post-war period. The largest confederation, the CGIL, was effectively dominated by the PCI. This situation changed dramatically, particularly after 1969: there was a strong unitary drive from below; the unions were substantially strengthened; they gradually distanced themselves from the parties. By the mid-1970s, they had established themselves as influential independent actors both in the factories and on the

national political stage. This was bound to cause problems with the PCI. The most recent sign of the uneasy relationship was provided by the polemic between Berlinguer and Luciano Lama—general secretary of the CGIL—arising out of the agreement signed on 22 January between the unions and employers on labour costs and the sliding scale mechanism. The PCI greeted this agreement with barely disguised bad grace, mainly because it signified an attempt by the government, unions and management to tackle the economic recession without the Communists. This was unwelcome at a time when the PCI was stressing its indispensability for the successful running of the country. Berlinguer's remarks that the unions should stick to shop-floor issues provoked a bitter response from Lama. He reaffirmed the union's duty to participate in national politics. In a thinly veiled warning at the PCI congress, he stressed that democracy and autonomy were the guarantees of the unity so painstakingly constructed in the union movement, and so dear to the rank and file. The PCI will find it difficult to mobolize in the factories on partisan lines, particularly if it expects to use the shop floor as a platform from which to undermine the Socialists.

Though signs of reform and renewal were not lacking, the sixteenth PCI congress ultimately failed to establish a clear strategy, or the means to realize it. Though emphasizing the need to open the party to new forces in society, to the anti-drugs, anti-nuclear, anti-sexism, anti-corruption, anti-pollution campaigns, Berlinguer omitted to show how the PCI was going to transform itself from a party of protest into a party of government. In stressing the failure of the present Italian system, and the profound desire for radical change, the leadership continues to adopt the traditional, millenarian discourse, pushing this change far into the future. But the test will come much sooner, for Italy goes to the polls in 1984.

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Britain and the European Community: a German view

THEO SOMMER

ELEVEN years ago, I published an editorial in *Die Zeit* entitled 'Europe beyond the butter mountain'. It was in the unusual form of an open letter to a British Member of Parliament filled with deep scepticism vis-à-vis Britain's impending entry into the Common Market. The editorial implored him and his friends to vote for Europe in the House of Commons and thus to open an entirely new chapter in the history of our ancient continent.

I admit that today—eleven years and innumerable European crises later—I frequently wonder, as do many of my fellow-countrymen, whether we should really have been so eager to get Britain into the European Community. The United Kingdom joined the association of the Six in 1973. Since then, we have been through one renegotiation crisis. We have seen a referendum on British membership; and while the outcome—two-thirds in favour of staying in—was satisfactory enough, it did not escape our notice that only 65 per cent of the electorate bothered to vote at all—which meant that not even half of the voters actually came out in favour of Europe. We have, under successive Labour and Conservative governments, been exposed to constant bickering about Britain's financial contribution. We have seen an oil-giddy Britain blocking a common European energy policy; a Britain emulating de Gaulle's empty-chair tactics when it came to determining the value of the 'Green Pound'; a Britain foiling the Community's efforts towards establishing a common fisheries policy; a Britain being difficult about electing the European Parliament—a Britain which, in the words of the *Sunday Times*, behaved all too often like a man who joins a club, imbibes cheerfully at the bar every evening but is curiously absent each time when it is his turn to stand a round of drinks.

A German looking at the United Kingdom today is struck by a number of disconcerting phenomena.

The first one is the undeniable fact that British attitudes about the Community are still strongly shaped by lingering reserves about Britain's membership. A visitor from the Continent arriving at Heathrow Airport is directed to the 'EEC' counter to have his passport stamped, not the 'EC' counter; thus you continue to downgrade the Association of the Ten to a kind of merchant's club instead of accepting its political purpose—or, as the Francophones in Europe say, its '*finalité*'. The Community enjoys little legitimacy with the British public.

Second, many people in Britain like to attribute their economic troubles to

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EC membership, ignoring the fact that the greater part of them are indigenous and self-inflicted. They tend to overlook the obvious benefits that accrued to them from Britain's membership—the fact, for instance, that the value of British exports grew at an annual rate of 28 per cent during the past decade. In the light of these benefits, Continentals cannot muster all too much comprehension for British haggling over the Community budget or for such aggressive stances as that taken by Mrs Thatcher at Dublin three years ago or again by her Foreign Secretary at Luxembourg last spring.

Third, while it is true that there exists, in different degrees, residual nationalism in all of the EC countries, it appears to be much stronger, much less bashful and much more assertive in Great Britain. The Falkland crisis provided not the only, but certainly the most telling proof. On the continent, there was very little Falkland spirit. Rather, there was the disheartening discovery that Britain, basking in the glow of its Falkland victory, was on the point of forgetting that it belonged to the European Community. The high-handed ways employed by British negotiators at the EC tables precisely when Britain's European partners manifested their loyalty to London by adopting stern sanctions against the Argentines left a very bad taste.

In short: many UK citizens may have their reservations about the Community, but there are just as many Continentals who feel unhappy about those late-comers from the British Isles who do not seem to be able to make up their minds which way their interest lies. If the British do not feel any enthusiasm about their affinities with the Community, perhaps they ought not to be surprised that their EC partners have taken to feel less than enthusiastic about UK membership.

It is important, however, not to let ourselves be informed by moods or guided by fits of temper. That editorial listed three reasons why British membership seemed to be absolutely indispensable. Whatever doubts may occasionally afflict me, eleven years later I still feel that I was right.

Britain's role

The first reason may appear to be a parochial one, but it is not. Only if Britain became a member, I argued, would the Community be saved from permanent Franco-German confrontation. Such institutionalized confrontation, as it were, was bound to wreck the Community in the long run. With Britain inside, however, we would have the possibility of changing coalitions; not every difference would then lead to a show-down between Paris and Bonn. Inside the Community, Britain could continue its traditional balance-of-power policy. By doing so, it would at the same time contribute to the stabilization of the Community.

The second reason had to do with Britain's free trade tradition. UK membership would help to open up Europe towards the world; would counteract egotistical, isolationist tendencies; would strengthen the forces that stand for unimpeded world-wide commerce and against the temptation of protectionism.

The third reason was related to Europe's role in the world. The Europe of the Six was too small to leave its mark on international politics. In contrast, the Community of the Ten would be able to make its weight felt. With the United Kingdom a member, it could redefine Europe's role in world politics, its interests and the tasks before it—and it would become possible for the Europeans to do so without risking ridicule or hazarding failure. I have not the slightest doubt but that the first expectation has come true. Constant Franco-German squabbling is no longer the hallmark of Community politics. There have indeed been changing coalitions; frequently Bonn and London have found themselves on the same side. But then the recurrent British incertitudes prevented this kind of co-operation from achieving any noticeable success—reforming the Common Agricultural Policy (CAP), for instance, or refurbishing the budgetary system.

Britain's free trade traditions also stood the Community in good stead. The Thatcher government helped commit the other participants in the Versailles summit in June 1982 to resisting 'protectionist pressures and trade-distorting practices'. In the meantime, to be true, the question has been raised in Mrs Thatcher's innermost circle whether free trade is really such a brilliant idea, given the stiff competition of Japanese exporters, Spanish car manufacturers and Taiwanese shirt-makers. But one still feels entitled to hope that the memory of 150 years of uncurbed world trade will induce Britain to preserve it despite temporary temptations to impose controls or clamp down quotas.

The third reason—that Britain's accession would enhance Europe's role in the world—has been vindicated by events even more fully than the other two. The evolution of European Political Co-operation (EPC) has made enormous strides since 1973. Precisely by eschewing abstract constitutional architectonics, the Ten were able to reach a degree of concentration and cohesion of their foreign policies that the founding fathers had hardly dared dream of. The British contributed greatly to the diplomatic self-assertion of Europe with the traditional skills of British diplomacy—a sense of measure and purpose and style—at the service of the Ten. Namibia, the European Middle East initiative, the Community governments' calm insistence in the face of a resurgent Cold War ideology in Washington after the Iran hostage crisis and the Soviet invasion of Afghanistan that, no matter how deep the crisis, the super-powers must not stop talking to each other, agreed positions reached on the European Security Conference or on the North–South dialogue—these are the benchmarks of the common European foreign policy which is a product of the decade that has passed since Britain joined the Club.

To put it in a nutshell: I am an unrepentant partisan of British membership. I think it would be a terrible mistake for Great Britain to leave the Community again—and it would be a tragedy for Europe. No one would stand to gain; we should all be losers.

That editorial also urged that the British should let bygones be bygones, that we should look resolutely forward and be realistic: Europe is neither a cathedral, as General de Gaulle would have it, nor the warehouse of a

farmers' co-operative, as the banality of the Brussels technocracy seems to suggest.

I also tried to talk my friends out of a number of fears, almost obsessions, which were rampant at the time in Britain: that Britain would be deprived of its national character if it joined the Community; that the American connexion would be loosened; that relations with Eastern Europe would be poisoned; and that no one had any idea what the final destination of the European Community was supposed to be. I thought all four of these apprehensions were rather specious, and I said so. The Queen, Yorkshire Pudding, the curiously stale beer to which the inhabitants of the British Isles are addicted, all the peculiarities of the British way of life—the Community would not touch them, just as it had not dared touch the peculiarities and idiosyncracies of the various peoples and nations inhabiting the continent.

Next: relations with the United States. Only if Britain joined Europe, I argued, would the danger disappear of the Community trying to establish its own identity by decoupling from the United States. On the other hand, if the role of the United States on the world scene decreased any further, British entry into the EC would considerably increase the chances of Europe to stand on its own feet—in continued alliance with America, but not totally dependent on it.

And relations with Eastern Europe? A Western Europe including Great Britain, I suggested, would differ fundamentally from the original design of the Carolingian founding fathers Schuman, Adenauer and de Gasperi. I would not fear to look East and would consider the countries beyond the Elbe River not only as heathen, lost and gone, at best the objects of evangelization (viz. roll-back). Rather it would provide doors, windows, passage-ways to Eastern Europe which would enable Eastern Europe to become a reliable partner as soon as it was ready for partnership.

Last, but not least: the purported final destination of the European Community. Confederation of federation? Europe of Fatherlands—or Fatherland Europe? My argument in the early 1970s was simple: that juggling with such abstract notions just detracted from the tasks at hand; that Europe was bound to become a reality irrespective of the labels constitutional lawyers would stick on it; and that even if it evolved from de Gaulle's *Europe des patries* to a *Fatherland Europe*, it would always remain a Europe of regions, peopled by wonderfully proud, diverse and indomitable tribes like Scotsmen or Bavarians or Gascons or Sicilians.

These old arguments bear repetition because they are still astoundingly topical. We have not really come very far since. The old questions continue to be with us. I tend to think that my old answers are still valid, too.

What are the tasks before us in the years ahead? I should like to list five.

First, we must bring Spain and Portugal into the Community while preventing a watering-down of its purpose and effectiveness.

Second, we must look for a more equitable financing system.

Third, we must reform the Common Agricultural Policy.

Fourth, we must add a security dimension to the economic and diplomatic co-operation achieved so far.

Fifth, we must strive towards a more perfect union.

Whilst difficulties and opportunities are to be found in all of these areas, let me make a few remarks in particular about the moves towards a more perfect union, as indicative of the other areas also.

Political union

There has not, in recent years, been any significant constitutional progress. The directly elected European Parliament has not provided any effective impetus. Perhaps this is not the time for constitution-building. Europe is now in its third phase.

Originally conceived in the 1950s, Europe Mark I was connected with the name of Jean Monnet; its propellant and policy executor was to be the Commission; its essence was supranational. Europe Mark II, which France attempted to impose on its partners in the 1960s, is linked to the name of Charles de Gaulle. The driving force behind it was the General's hegemonic ambition for his country; its essence was national, even nationalistic. Europe Mark III, as it has slowly been evolving, is a different kettle of fish. It carries the name tag of the Belgian Ambassador, Etienne Davignon; its main instrument is the systematic co-operation of governments assembled in the Ministerial Council leading to concerted action on a wide range of questions; its essence is, as it were, transnational.

This Europe Mark III is likely to be with us for some time to come. It will neither be dominated by a technocratic structure nor overwhelmed by one man's autocratic will. It will be a Europe of the Possible: pragmatic, without fanfare or panache. Joint action will emerge from negotiated common positions rather than from Commission planning. If the frontiers of the nation-state are to be eroded, the nation-states themselves will have to take part in that process by voluntarily surrendering bits of national power. There is no way to get around them. But as the members formulate collective policies affecting an ever-growing number of areas, the sheer quantity of joint decisions is bound to change the basic quality of the Community. Doubtless, its component parts will not disappear, nor will national governments dwindle into insignificance—they are going to be the building blocks of tomorrow's Europe as well.

But we should perhaps not be too complacent. The bitter quarrel between Britain and its EC partners in the spring of 1982 showed that there are great dangers lurking along the pragmatic road. The appropriateness of using national vetoes and the right of majorities to impose their will on recalcitrant single members must be re-appraised. If this is not done, we may be up to quite nerve-shaking experiences.

Mr Genscher's proposal for a new 'European Act', co-sponsored by the Italian Foreign Minister, Signor Colombo, would appear to point in the right direction. It aims at reintroducing majority voting in the Ministerial Council,

with national vetoes only permitted if those wielding them submit in writing why their overriding national interest forces them to do so. This would not turn the Community into a federation, but it would perhaps be a step on the way towards a 'more perfect union' (to borrow a phrase from America's founding fathers).

European defence

As Europe continues harmonizing an ever larger part of its external policies outside of the province properly defined by the Rome Treaties, it becomes increasingly obvious that it must include security and military matters in the range of its co-operative ventures. We must look towards a Common European defence policy.

For one thing, Europe's weight within Nato has grown considerably within the past decade. The European share in Nato defence expenditure has risen from 22·7 per cent in 1969 to 41·6 per cent in 1979. Europeans now furnish 90 per cent of the infantry in Western Europe, 88 per cent of the air forces, 75 per cent of the navies, 75 per cent of all tanks. This potential is only imperfectly co-ordinated and correlated either in Nato's Euro-Group or in the bilateral contacts between individual countries. It is imperative that a security dimension be added to European co-operation.

There is an added reason: renewed uncertainty about the depth and durability of the American defence commitment to Europe—or uncertainty even, in the best case, about the modalities of this commitment and its military underpinning. This goes for the future of the US garrison in our part of the world; once again it has become the object of Mansfield-type criticism, only this time the complaints originate on the Right of the political spectrum, not with the liberal Left. But it also goes for the future of deterrence, especially the future of extended deterrence—extended from the United States to its European allies. Henry Kissinger has been preaching for years that it is dead. Others—like McGeorge Bundy—take the opposite view. The point is that there is no way of telling on which side of the debate the Pentagon establishment will ultimately come down. We had better be prepared for either outcome, anticipating in the process the changes and adjustments of US policy which will inevitably take place before the end of the century.

This is not to advocate that Europe should turn its back on the United States. What is needed is an effort which will enable Europe to take its proper place in the sort of 'dumb-bell' or 'two-pillar' concept of the Atlantic Alliance that John F. Kennedy and his lieutenants used to talk about as far back as twenty years ago.

This is a tough and touchy issue. It raises sensitive questions such as whether more credibility attaches to two national deterrents now existing in Europe, the British and the French, than to the American strategic forces; how they could be related to Europe's needs for defence and deterrence; how the interests and sensitivities of non-Nato Europeans (like Ireland), half-Nato Europeans (like France) and full-fledged Nato-Europeans (like the over-

whelming majority of EC members) could be reconciled. It also raises serious and difficult issues of strategic doctrine, military organization and defence expenditure. And it does require an altogether new definition of what Europe's interests in the outlying areas are, as well as a concept of how best to defend them if they are challenged.

Concluding remarks

What are my conclusions? Shunning all rhetorical flourishes, I would simply say—let us tackle the job in hand. We all need the European Community, and the European Community needs all of us. As a German and as a European, I would expect Britain to join in the task of forging a more perfect union in what is left free and prospering of our ancient civilization.

I would implore you not to regard the European Community as a threat to Britain's national firmness of purpose. I would beseech you: (a) to resist the temptation of pursuing a more self-centred policy—one giving lower priority to Europe, stressing, instead, your interests in the British Isles and in the star-dust of Empire still clinging to the crown of your monarch; (b) not to ascribe every untoward event, every unpropitious trend including weaker beer and poor soccer results to 'Brussels'; and to put paid to the wavering that has marked your European policy for almost four decades; (c) to find it possible to approach pragmatic solutions for your grievances in a constructive, not a carping spirit; (d) to put aside the all-or-nothing attitude which has so often marked your negotiation tactics in the Community.

I would be more than happy if recent indications that you are bent on mending your European fences were borne out by your government's future action, especially with regard to the Community's revenue, a common electoral system for the European Parliament and a common energy policy.

And I assure you: most of my fellow-countrymen feel the same way.

Now it would be perfectly understandable and perfectly legitimate for you to ask: Why should a German be telling us that the continent expects every Englishman to do his European duty? Aren't the Germans themselves highly unreliable customers?

The question is more often asked in France than in Britain. And it is usually phrased with rather indelicate directness: Aren't the Germans really just a 'floating kidney', ready to jump the European ship as soon as any promise of reunification is dangled before them?

Let me give you my answer in three parts.

First, we have long since grasped that reunification cannot be had, now and for the foreseeable future, at any acceptable price. *Ostpolitik* was not the beginning of a renewed effort at bringing about unity. Rather it was based on the conclusion, reluctantly arrived at and formulated not without anguish, that reunification was not around the corner; that in the nuclear age peace was more important than justice, and that, if partition could not be overcome, at least its consequences should be mitigated.

Second, Germany's reunification is no longer an objective of our operative

policy. We leave it to the tides of history—recognizing full well that the tides of history might not necessarily work in favour of Germany's national unity. We are also aware of the fact that reunification, if it comes about at all, will only come about if the division of Europe as a whole is overcome; and we are honest enough to tell ourselves that under such circumstances the reunification of Germany might not really appear to be imperative any longer.

Third, *Ostpolitik* in no way touched on our loyalties to Nato or our commitment to the European Community. In many regards, in fact, the Community has become a substitute for the larger German fatherland we lost. Time and again, polls have revealed that almost three-quarters of all West Germans above 16 favour the creation of a United Europe out of a European Community; only nine per cent oppose the idea. To us, Europe signifies much more than just a problem-ridden customs union, a matter of butter mountains and wine lakes and rampant bureaucracy. It is—or, hopefully, is going to be—the entity in which we will be able to pursue and sublimate our national interests. We want it to be more than just a community of producers and traders, manufacturing, selling and buying. We see it as a totally new type of entity: neither parochial nor imperial, neither unassuming nor overbearing—a building-block for a broader and more complex international order—an entity in which our own national aspirations would be contained in every sense of the term.

In practice, this means that we shall support every move towards greater unity, more integration and increasingly centralized European decision-making. In short: we are no 'floating kidney'. You can rely on us.

In conclusion, it must be said that Europe needs all of us; all of us need Europe. In splendid isolation none of us can any longer take care of his own interests. It is the Community which gives each of us strength.

Flora Lewis, my respected colleague of the *New York Times*, has recently written: 'The house of Europe is unfinished, with shafts but not elevators, cubby-holes but no corridors, a skeleton without articulation. But like any half-made building, it risks crumbling for lack of completion.'

There is a job to finish. Let us finish it together.

PLO strategies: Algiers and after

PATRICK SEALE

In his closing speech on 22 February to the Palestine National Council (PNC) meeting in Algiers, Yasser Arafat, Chairman of the Palestine Liberation Organization's Executive Committee, repeated the celebrated words he had first uttered before the United Nations General Assembly in 1974: 'I come with an olive branch in one hand . . . and in the other hand the rifle of the revolutionary.'

It would seem that there has not been much evolution in Palestinian strategies in ten years. Gun-and-olive-branch ambivalence still characterizes the PLO today, in spite of the loss of Beirut, the scattering of the fighters, and the various peace plans lately aired. The Algiers conference, scheduled to be decisive, left things pretty well as undecided as they were before.

What this means is that the PLO, in choosing both war and peace at the same time, has in effect chosen neither. It is paralysed in limbo between the two, waiting for some external development such as a shift in the regional balance of power or some new initiative by a super-power to head it in one direction or another. Its posture is both *immobiliste* and *attentiste*.

It has plumped for no clear option for the good reason that none is available. The PLO's dilemma is as obvious as it is poignant. The Israeli Premier, Menachem Begin, will not talk to it, nor will the United States (except under conditions which the PLO so far finds unacceptable). The Arab states will not fight for it and the Palestinians cannot credibly fight alone. So the only real options open to the PLO are to surrender or to survive. At whatever cost to reputation, clarity and effectiveness, it has chosen survival.

To be obliged to wait upon the actions of others is not a happy situation for a national movement so passionately convinced of the justice of its cause. But this is not to say that the future may not deal the PLO an occasional good card. According to Dr Nabil Sha'th, Yasser Arafat's adviser on international affairs, Arafat believes there are three possible developments which could open up more promising prospects, either for peace or for war, for the Palestinians.[1] They are an end to the Iraq–Iran war, a return of Egypt to the Arab camp, and a genuine American-Soviet détente. All three prospects beg as many questions as they raise, but Arafat's clutching at such straws demonstrates how anxiously Palestinians are scanning the distant horizon in the hope of sighting an exit from their present *impasse*.

Another faint hope is that Ronald Reagan may stand again and win the 1984 presidential election, a victory which would leave him well placed to bully

[1] Interviewed by the author at the PNC meeting, Algiers, February 1983.

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Israel into at least consideration of his Middle East blueprint. Jimmy Carter would undoubtedly have done as much had he been re-elected.

While all avenues to negotiation remain blocked, it is not surprising that advocates of armed struggle are finding a response among Palestinians eager for a chance to hit back. Terrorism against Jewish targets abroad does not seem to be on the agenda.[2] But attempts will be made to escalate the civil disturbances in the occupied territories and the guerrilla attacks against the Israeli army in Lebanon. Not even the most militant Palestinians expect this violence to be easy to organize or to yield political rewards in the form of an Israeli readiness to make concessions to Palestinian nationalism. In reality, with the PLO fighters under tight surveillance in ten separate Arab countries and with all frontiers into Israel closed to them, let alone Israel's formidable security apparatus to outwit, the military prospects are no brighter than the diplomatic. Hence the current paralysis.

The Algiers conference

The PNC conference was the Palestinians' first major corporate manifestation since the expulsion of the guerrillas from Beirut last August. The facts that the meeting was several times postponed and the venue the subject of much argument testify to the divisions within and the weaknesses of the movement. So, although the main item of official business was to define strategy in the light of the Fez and Reagan peace plans, the real preoccupation was to show the world that the movement was united, independent of outside pressures, and still vigorous despite the Beirut drubbing. In Arafat's words: 'The Palestine revolution is not an easy nut to crack.'[3]

So far as the conference was intended as a morale-boosting exercise, it was tolerably successful. It was also notably democratic in temper, with ready access by observers to all the principal participants and much plain speaking in the open forum. But candour in the lobbies as in the hall said more for Palestinian differences than for Palestinian unity.

The fact of the matter is that the movement was, and remains, profoundly divided. The difference is less one of personality—there was a refreshing absence of personal abuse at Algiers—than of analysis of the Palestinian predicament, of regional and international alignment, and, on the basis of these two factors, of how best to go forward. On this last issue the divide was very wide indeed, and even Arafat, nimble-footed conciliator though he is, could not straddle it.

Without undue caricature, the rival poles can be described as follows.

Doves are especially preoccupied with the vanishing Palestinian grip over

[2] Stated in interviews in Algiers by George Habash (Popular Front for the Liberation of Palestine); Ahmad Jibril (PFLP—General Command); Abu Jihad (Khalil al-Wazir, commander of al-Fatah forces); Abu Daoud (Muhammad Daoud Odeh, organizer of the attack on Israeli athletes at the Munich Olympics).

[3] Arafat's speech at the conclusion of the PNC session, 22 February 1983. BBC, *Summary of World Broadcasts*, ME/7267/A/1.

the West Bank and Gaza. They want to salvage something while there is still something left to salvage. Hence they advocate engaging the United States in a dialogue, even if this means recognizing 'Israel's right to exist'—an overrated concession in their view, seeing that it merely states the obvious; not allowing Camp David to stand in the way of renewed friendship with Egypt; and not being too fussy about the formula for Palestinian participation with Jordan in peace negotiations. They would therefore accept the Reagan plan, in spite of its deficiencies, as a basis for talks, and even if the cost were to lose by the wayside the more rejectionist Palestinian factions. Given the present urgent need for movement, they believe too high a price can be paid for unity.

The hawks contest all these arguments. Israeli settlement of the occupied territories should not, they contend, stampede the Palestinians into surrender. They do not believe that Israel's takeover is already well-nigh irreversible, nor, in their view, will it be for a decade or more. In the hawks' analysis the present balance of power in the Middle East can never lead to a fair deal for the Palestinians. Only the re-entry of the Soviet Union into peace-making could produce an equilibrium to ensure acceptable terms for them. In the meantime, the Palestinians should stand firm on their principles—no unilateral recognition of Israel, no dilution of the PLO's sole right to represent the cause, no mandate to Jordan to speak for Palestinians, and utter rejection of the Reagan plan which the hawks see as a conspiracy to rob the Palestinians of their right to self-determination and bring about their ultimate destruction as a nation.

Whereas doves want an all-out political push, renouncing a military option which they see as no longer credible, the hawks argue that, faced with a passive Arab world, Israel will continue to gobble up territory and that only armed struggle, making the cost of occupation unbearably high, will force Israel out of the territories and to the conference table.

Undoubtedly at Algiers the hawks made most of the running. The long and impassioned speeches of their star spokesmen—George Habash of the Popular Front for the Liberation of Palestine, Nayif Hawatmeh of the Democratic Front for the Liberation of Palestine, Ahmad Jibril of the PFLP's General Command—won much applause, while a leading dove like Issam Sartawi did not get to speak at all. Arafat tried to defuse some of the militancy, but on balance it was a radical conference. Perhaps it could not have been otherwise, seeing that the 'martyrdom of Beirut' loomed so large, generating a deep psychological need to scream defiance. The bitter, vengeful mood of the Palestinians was not limited to the traditionally rejectionist factions, but made inroads in Arafat's own middle-of-the-road organization, Fatah. In particular, a 'left wing' appears to have emerged inside Fatah under the leadership of Faruq Qaddumi, head of the PLO's political department. In the months since Beirut, as Qaddumi took the pulse of the scattered fighters, he seems to have hardened his own position and to have reached some sort of tactical understanding with Habash and Hawatmeh with the aim of checking Arafat's 'dangerously dovish' personal diplomacy. Qaddumi's political report given

on the second day of the conference—strongly anti-American and barely veiled in its criticism of Arafat—early set the tough tone.

Had West Bank Palestinians been represented at Algiers, they would no doubt have lent their weight to the doves' appeal for a political solution—they are after all the Palestinians most affected by the Israeli yoke and the most anxious for relief from it. But Israel warned them that if they went they would not be allowed back home, so they chose to stay away.

The final political statement from the conference[4] clearly reflected defensiveness, defiance and radicalism. But as a guide to Palestinian strategy it was less clear. Between the bold lines of the statement could be read dismay that so little was on offer and disbelief that what little there was—the 'inadequate' Reagan plan—could be delivered.

On the Palestinian level, the key words were 'national unity' (code for the closing of ranks at this perilous time), 'independent decision-making' (code for warning off meddlesome Arab mentors), and 'armed struggle' (prefiguring a thorough-going structural reorganization of the movement in its present reduced circumstances).

On the various peace plans, the PNC rejected 'consideration' of the Reagan plan—a wording taken to mean something short of outright rejection of American mediation. The Brezhnev plan of 16 September 1982 was, however, supported, as somewhat reluctantly were the resolutions taken by the Arab summit at Fez on 8 September 1982.

Jordan got the thumbs-down as a spokesman for the Palestinians in the passage (on PLO relations with the Arab states) rejecting 'all schemes aimed at harming the right of the PLO to be the sole representative of the Palestinian people through any formula such as the assigning of powers, acting on one's behalf or participating in the right of representation'. Lip-service was paid to the need to develop the 'special and distinctive' relations between the Jordanian and Palestinian *peoples*, and to the notion of a future confederation once an independent Palestine had been established. But, as the Arabs say, this is selling fish that is still in the water.

The radicals triumphed in the resolution devoted to Egypt which called for relations with the Egyptian opposition, but for relations with President Mubarak's regime only in so far as it abandoned Camp David. Predictably, Mubarak has shrugged off this rebuke with angry irritation.

Further success for the hawks' analysis could be seen in the singling out of 'sister Syria' as the PLO's strategic partner 'in the face of the common danger'. In the same combative spirit, the Council called for a development of the alliance and friendship with the Soviet Union, while it denounced the United States as 'the leader of the camp hostile to our just cause'.

Arafat's powers

Yasser Arafat is neither a dove nor a hawk but, skilful politician that he is, he tends to zigzag between the two poles as circumstances prompt. Immedi-

[4] BBC, *Summary of World Broadcasts*, ME/7266/A/9–13 and ME/7267/A/3.

ately after his forced departure from Beirut, he was thought to be seeking a political breakthrough because, in his view, the war had weakened Syria and the rejectionist militias and swung the pendulum of power towards the conservative Arab states. Accordingly, Arafat swung with the pendulum, consulting closely with the Saudis and the King of Morocco, appealing to Mubarak's Egypt for help, and, above all, embarking on detailed discussions with King Hussein of Jordan about a formula for joint Jordanian-Palestinian participation in possible future peace talks. Arafat hoped that the Council would ratify this diplomacy and grant him authority to pursue it further.

The hawks had watched these moves with growing alarm and used the conference to put a stop to them. Arafat's friendly signals to Mubarak proved his weakest point. The radicals argued, with some justice, that any formal Palestinian link with the Egyptian regime would provide cover for Arab states to join Camp David. It would also force the PLO to change the Arab and international alliances built up over the past decade. So Arafat's opponents clipped his wings and subjected him to tighter discipline.

Paradoxically, Arafat's personal position is now stronger than ever. Even his ideological critics like George Habash acknowledge his prestige. At Algiers, he engineered his re-election as Executive Committee Chairman by the Council in plenary session, and it would take another such plenary session to unseat him.

But he has buttressed his personal leadership and has held his centrifugal movement together at a price. Seeing the way the wind blew, he has moved left. No doubt he will seek to wriggle out of the new constraints and, being practised in manoeuvre, he may succeed. A fast-moving situation may give him the leeway to interpret the PNC guidelines liberally, in accord with his inclinations. Within two weeks of the close of the Algiers conference, he was already declaring his readiness to talk peace with Washington 'without preconditions' if the United States were to make overtures to him.[5] But certainly the more committed doves feel that once again, as so often in the past, the Palestinian leadership has missed a historic opportunity to win over American opinion and cut the ground from under Mr Begin by a bold political initiative. The probably truth, however, is that, having failed to welcome the Reagan plan when it was unveiled on 1 September 1982, the PLO could hardly welcome it in February 1983, in view of American passivity in between.

The international environment

For Palestinians, it is not only the signals from the United States which are discouraging—there is little to comfort them in the international environment as a whole. But the failure to win American sympathy is what above all leaves their strategies frozen in an unreal world of hopes and rhetoric.

What caused them at Algiers to 'reject consideration' of the Reagan plan was not simply the general perception that it fell far short of minimum Pales-

[5] ITV's *Weekend World* interview, 6 March 1983.

tinian aspirations, but also the conviction that the United States could not be believed. Against the old familiar background of massive US backing for Israel, more recent and specific charges are: the collusion of Alexander Haig, then US Secretary of State, with Israel's Defence Minister, Ariel Sharon, in the planning of the assault on Lebanon; the US failure to prevent the long siege of West Beirut and its final seizure by Israeli troops; the massacre of civilians in the camps in spite of written American guarantees of their safety; and, finally, America's inability so far to budge Israel in Lebanon.

Palestinian radicals never believed in America. What is new is that most moderates now share this distrust. Dr Nabil Sha'th put it this way: 'Most moderates would welcome an American initiative if they thought the US could deliver. But because of the credibility problem it is not worth taking the risk. We would be like the inhabitants of Sabra and Shatila who believed in American guarantees. The US wants us to stick our necks out—and get chopped.'[6]

After Algiers the doves, with fading confidence, are still trying to keep the American door open an inch or two, in the hope that the United States in its own self-interest will offer the Palestinians better terms.

Meanwhile, with slightly greater confidence, the radicals are pinning their hopes on a more vigorous Soviet Middle East policy under Yuri Andropov. Moscow must have been positively blinded by the signals directed at it by the Algiers conference, or at any rate by the vocal hawkish element there. Speaker after speaker made the double point: that there could be no political settlement of the Palestine problem without the participation of the Soviet Union; and that, if plans to escalate armed action in Lebanon and the occupied territories were to be achieved, Soviet protection for the Syrian 'rear base' would be necessary.

There is some evidence that Moscow is strengthening Syrian defences, by increasing the number of its military advisers, replacing equipment lost in the Lebanese war, and deploying SAM-5 anti-aircraft missiles around major cities. But there is no suggestion as yet—as there has not been in the past—that the Soviet Union either will extend its protection to Syrian operations in Lebanon or will encourage Syria to move forward from its current cautious defensive stance.

As constraining as American and Soviet attitudes on Palestinian strategies is the Arab environment in which the Palestinians have to operate. Again, it is no novelty that the Arab states' interests and Palestinian aspirations rarely coincide. With the decline of pan-Arabism and the rise of more particularist ambitions, there has grown a marked reluctance by state leaders to take risks for the Palestinians. Israel's policy of deterrence has also held nationalist ardour in check. Today, despite routine protestations of friendship, even the hardest-line Arab states treat the Palestinians with the greatest suspicion and contain their actions in every possible way. Even Syria, the only Arab belligerent left, which needs the Palestinians and wants to retain control over

[6] Interviewed by the author, Algiers, February 1983.

them for its own inter-Arab struggles, will not let them drag it into costly adventures.

The regional initiative lies with Israel. Whereas Israel's security posture had formerly been one of deterrence and pre-emptive strikes to defuse any possible Arab threat to it, in the last two years a change occurred associated with the name of Ariel Sharon. What made this change possible was the March 1979 peace treaty with Egypt which, by removing the threat of a surprise attack on that front, untied Israel's hands on its eastern frontier. From then on, Israel could aspire to dictate to its neighbours—and to its captive Palestinians—a solution to the Palestine problem on its own terms. The smashing of the PLO infrastructure in Lebanon, the dispersal of the fighters, the accelerated settlement programme in the territories are all evidence of the resolve to sweep the problem across the Jordan.

After 1967, Israel did not know quite what to do with the territories it had occupied. Now it knows very well. The 1982 Lebanese war was an integral part of the solution.

Facing so formidable and resolute an adversary, in a climate of something like international indifference and Arab impotence, the Palestinians' immediate priority is thus survival. But that is hardly a strategy.

Miscalculation, crisis management and the Falklands conflict

PHIL WILLIAMS

IN the aftermath of the Cuban missile crisis of October 1962, the United States Secretary of Defence, Robert McNamara, asserted 'there is no longer any such thing as strategy, there is only crisis management.'[1] Although this was an obvious exaggeration prompted by the post-crisis euphoria, it nevertheless encapsulated a central feature of the super-power relationship since 1945. For although the United States and the Soviet Union are adversaries, they are also partners in the task of 'disaster avoidance'.[2] Incompatible interests, divergent ideologies, and antithetical social, political and economic systems ensure that their relationship is competitive and often conflictual. At the same time, they have a fundamental common interest in ensuring that the conflict between them does not lead to hostilities, and have acknowledged—sometimes tacitly, sometimes explicitly—a joint responsibility for avoiding nuclear war which transcends their differences. Nowhere has this responsibility been more apparent than in periods of super-power confrontation. It is not surprising, therefore, that the super-powers have become relatively adept in the art of crisis management and have generally adopted a judicious blend of conciliation and coercion which has enabled them to resolve their crises both peacefully and on terms that are reasonably satisfactory to both parties.

One of the problems for the future stability of the international system, however, is that few other states have either the incentive or the capacity to develop comparable skills. In some confrontations, even the most basic preconditions for an attempt at crisis management may be absent. What makes this all the more disturbing is that international crises often arise not from deliberate provocation or a direct frontal challenge to a state's interests, but from miscalculation and misperception. This was almost certainly true of the Falklands crisis, which seems to have been precipitated by a series of miscalculations—primarily, although not exclusively, on the Argentine side—which led the Junta to invade the Islands. Although there may well have been a large element of improvisation in the Argentine decision (mainly in response to the events on South Georgia after the landing of Sr Davidoff, an Argentine scrap merchant, and his party), it appears that the Junta believed there would be little or no reaction from Britain. This emerged clearly in the report of an Argentine Army Commission set up after the war to investigate

[1] Quoted in C. Bell, *The Conventions of Crisis* (London: Oxford University Press, 1971), p. 2.
[2] See S. Snyder and P. Diesing, *Conflict Among Nations* (Princeton N.J.: Princeton University Press, 1977), pp. 400–51.

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what went wrong. Although it is unlikely that it was completely unbiased, the report was nevertheless revealing, concluding as it did that the occupation was 'conceived and executed in an absolutely false framework'.[3] Furthermore, it suggested that the Argentine forces had been led to believe that the operation would be 'practically symbolic' and would encounter neither initial resistance nor subsequent challenge.[4]

Britain itself, of course, had contributed to such miscalculations in several ways. In the first place, the decision in the 1981 Defence Review to withdraw the ice patrol ship, HMS *Endurance*, at the end of her 1981/2 deployment (despite the objections of Lord Carrington) was widely interpreted in Argentina as an indication of the government's declining commitment to the Falklands. As the Franks Report noted, the withdrawal was 'construed by the Argentines as a deliberate political gesture; they did not see it as an inevitable economy in Britain's defence budget since the implications for the Islands and for Britain's position in the South Atlantic were fundamental'.[5] Perhaps equally important was Britain's willingness to engage in negotiations even though there was nothing it was prepared to negotiate away—an approach criticized by the British Ambassador in Buenos Aires as having no strategy at all beyond a general Micawberism.[6] As Lawrence Freedman has argued, the British government was willing to offer neither compromise to Argentina nor a credible long-term commitment to the Falkland Islands: 'There was a lack of political will in London either to solve the dispute once and for all in some deal with Buenos Aires or else to accept full responsibility for the long-term security and prosperity of the Islands.'[7] This was the worst of all possible worlds—the British willingness to negotiate and its reluctance to take serious measures to defend the Falklands may well have convinced the Junta that Britain would accept a quick decisive *fait accompli*, while adherence in the negotiations to the position that the wishes of the Islanders were paramount not only irritated the Argentines but led them to conclude that more direct ways of resolving the dispute had to be found. Yet another way in which the British government probably contributed to Argentine misperception was through its response to the landing on South Georgia. Although the reaction was firm, the government was reluctant to take highly visible military measures such as deployment of surface ships to the South Atlantic, in part because it was felt that this would merely inflame the situation and provide a pretext for further Argentine actions.[8] In so far as the problem was an Argentine belief that Britain would not react strongly to a seizure of the

[3] See J. Morgan, 'Falklands invaders misled into disaster', *The Guardian*, 27 September 1982.
[4] *ibid.*
[5] *Falkland Islands Review*. Report of a Committee of Privy Counsellors, Chairman: The Rt Hon. The Lord Franks (London: H.M.S.O., January 1983), p. 34. Hereafter cited as *Franks Report*.
[6] *ibid.*, p. 30.
[7] L. Freedman, 'The War of the Falkland Islands, 1982', *Foreign Affairs*, Vol. 61, No. I (Fall 1982), pp. 196–210 at p. 198.
[8] This concern is discussed in *Franks Report, op cit.*, pp. 64–5.

Islands, however, such caution was counter-productive. Actions which disabused the Junta of this idea might have eased rather than exacerbated tensions.

By then, of course, it might have been too late to do anything which would correct the Argentine assessment of Britain's likely response. The British contribution to this misconception, however, should not be discounted, especially as it reflected the erroneous assumptions about Argentina on which British policy was based. Indeed, these assumptions were also responsible for the failure to foresee the Argentine invasion. Although the Franks Report argues that there was no intelligence failure by the British government, this is not entirely convincing—not least because the report fails to draw a distinction between the timing of the invasion (which probably could not have been predicted) and the likelihood of such an action (which does not seem to have been fully appreciated in spite of the very considerable evidence pointing to it). The conclusion that 'the invasion of the Falkland Islands on 2 April could not have been foreseen' is unexceptionable.[9] But this does not mean that an invasion as such could not have been anticipated. This is not to overlook the difficulties that are intrinsic in intelligence collection and evaluation, particularly when it concerns the intentions of other states. Nor is it to ignore the fact that, with the benefit of hindsight, signals warning of an impending action may appear much stronger and more obvious, and less ambiguous and problematical, than they were prior to the event itself. Even allowing for all this though, there seem to have been very serious shortcomings in British assessments of the Argentine approach to the Falklands dispute in the first few months of 1982. Clear indications that Argentine patience was running out and that a resort to force was increasingly likely were present. There were frequent reports in the Argentine press to this effect—some of which were picked up by *The Observer* in Britain. The Franks Report, however, reveals that these were given less significance than the secret intelligence which was far more reassuring about the prospects of an early move to confrontation.[10] It is one of the ironies of the episode that information and assessments within the system had a legitimacy, status and acceptance that external sources lacked, even though these external evaluations were sometimes more prescient. Yet, this is readily explicable in terms of the preconceptions held by officials in London. There seems to have been a widespread assumption that an Argentine move towards confrontation was unlikely 'until negotiations broke down'.[11] Accompanying this was a tendency within the Foreign and Commonwealth Office to dismiss Argentine threats and warnings as simply an attempt to exert pressure on Britain in the negotiations. The prevailing belief was that military action by the Junta, if it came at all, would only be initiated at the end of a long sequence of less drastic escalatory moves such as the withdrawal of services to the Islands.[12] Another factor which contributed to what, in retrospect, appears to be unwarranted complacency was what, in studies of other intelligence failures, has been termed the 'cry wolf' syn-

[9] *ibid.*, p. 74. [10] *ibid.*, p. 85. [11] *ibid.*, p. 80. [12] *ibid.*

ceived another shock in May 1982, when the Soviet Union, Argentina's biggest single grain customer, buyer of nearly 70 per cent of the country's grain exports, suspended grain imports from Argentina. This move forced the Argentine government to sell grain below market prices in order to earn much-needed foreign exchange.

There is no doubt that Britain's financial sanctions, especially the freeze of assets, presented substantial problems because of Argentina's huge debt. According to a *New York Times* report published on 9 April 1982, Argentina's international debt at that time stood at $32 billion, a figure more than four times higher than Iran's debt when the US declared a similar freeze on assets following the takeover of the US embassy in Teheran. A considerable amount of Argentina's debt was in the form of short-term loans that would require refinancing in the near future. In particular, Argentina needed to reschedule part of its foreign debt for the current year, which seemed impossible without the British banks' help and co-operation.

On the other hand, the impact of Argentina's suspension of all payments to British banks was somewhat mitigated. The bulk of loans outstanding to Argentina by British banks was from international banking syndicates, which included American, European and Japanese banks. These banks were obliged to share repayments received from Argentina on a pro rata basis with the British. In this way, the British banks received about 75 per cent of the money due to them from Argentina during the freeze.[10]

Collectively, the sanctions imposed by the EEC caused Argentina's already desperate economic situation to worsen rapidly. The EEC took a third of all Argentine exports during the period 1975–80.[11] At the time, Argentina exported about two billion dollars' worth of goods annually to the Common Market. Consequently, EEC sanctions seriously impaired Argentina's earning power and weakened its ability to meet its international financial obligations. Furthermore, Argentina depended on the EEC, along with the US, for almost half of its imports. The impact of the sanctions on trade with Argentina was somewhat mitigated by the fact that the EEC countries, with the exception of Britain, had carefully exempted all trade subject to long-term contracts. This meant that normal trade in grain, beef, leather and other goods continued during the war. Nevertheless, the London *Economist* reported that the Argentine government interpreted the EEC sanctions 'as the single most harmful non-military blow yet directed against Argentina'.[12]

The US sanctions came at a time when Argentine banks owed the United States over $9 billion—$5 billion of which was due for payment in the current year.[13] Consequently, the sanctions compromised Argentina's position with

[10] 'Argentine sanctions: melting', *The Economist*, 18 September 1982, p. 92.

[11] See 'European political co-operation shows results', *European Trends* (London: The Economist Intelligence Unit, Ltd, No. 71, May 1982), p. 1.

[12] 'Diplomacy: the other war', *The Economist*, 29 May 1982, p. 20.

[13] US exports amounted to nearly $2 billion each year, as compared with about $700 million of imports from Argentina, and the US Export-Import Bank provided loans of over $1 billion to Argentina, guaranteeing American exports.

American as well as international bankers, who are reluctant to lend to countries caught in grave international crises, particularly if their foreign policies conflict with those of the Western powers.

Extraterritoriality issue. The British freeze was extended to include Argentine assets in foreign-owned banks in Britain. However, in contrast with the US freeze of Iranian assets, the British government made no effort to extend the measure extraterritorially; overseas branches and subsidiaries of British banks were not affected and were permitted to transfer Argentinian funds to non-British third parties. In adopting this policy, Britain tried to draw on the US's Iranian freeze experience, and therefore it was less eager to take action that would put it in conflict with other Western powers, or jeopardize the support it was receiving from them.

Rebound effects. The application of sanctions was not cost-free for those who imposed them, though they did not suffer as much as their targets. In West Germany, Argentina's largest trading partner, the loss of trade was economically felt,[14] while in Italy, the souring of relations with Argentina was experienced politically. For Ireland, the sanctions posed a political problem because of Ireland's declared neutral status. The Socialist governments of France and Greece found it embarrassing to be called on to defend the vestiges of Britain's colonial past, particularly since Latin America was a privileged recipient of their sympathies. The embarrassment was more severe for Greece which, in contrast to France, had no colonial Achilles' heel of its own to worry about. Furthermore, by imposing the sanctions, the EEC, as much as the United States, had allowed immediate political considerations to jeopardize long-term economic interests, thus risking the loss of lucrative markets—a possibility which, luckily enough for them, failed to materialize.

Conclusions and general observations

From the beginning, Britain made it clear that its aims were limited to getting Argentina off the Falklands and restoring the British administration there. Consequently, the main aim of the sanctions in the initial stage was to gain time and increase non-military pressure on Argentina in the hope of forestalling hostilities in the South Atlantic. Following the start of armed hostilities, sanctions were maintained to intensify pressure on the weak Argentine economy. However, at no time was there any illusion in Britain that the sanctions in themselves would force Argentina to withdraw its military forces. Therefore, in terms of their limited objective, it can be maintained that sanctions were by and large effective.

That sanctions did have an impact had been demonstrated during the Ministerial Conference of the General Agreement on Tariffs and Trade held in Brussels last November. At that meeting, the Argentine government made strong, though unsuccessful, efforts to have a new interpretation placed on

[14] See 'Penalizing Argentina will hurt Germany', *Business Week*, 26 April 1982, pp. 33–4.

Article 21 of GATT. The article, called 'Security exceptions', states that nothing in GATT prevents a signatory from taking action to protect its security interests. The article allows a nation to abandon the normal trading disciplines when it feels that its own security interests are at stake. This is the clause usually used to justify actions like the British economic sanctions against Argentina during the Falklands crisis. Argentina was seeking to have stricter procedural guidelines laid down for the application of Article 21, which would cover matters such as having regard to the interests of third parties and using available consultation procedures. Had sanctions been totally ineffective, the Argentine government would not have bothered to seek such a security switch. It is instructive to compare Argentina's efforts with those of Italy following the imposition of the League's sanctions in 1936. In a secret agreement with Spain on 28 November 1936, the Italian government found it imperative to insert an entire section on economic sanctions which called for 'abolishing or radically modifying Article 16 of the Covenant of the League of Nations . . . and stipulated that should one of the contracting parties find itself at war or the victim of collective punitive action the other would adopt an attitude of "benevolent neutrality", making available supplies and facilities to the first-mentioned party.'[15] By contrast, in none of the treaties that Italy signed with other nations prior to the League's sanctions was such a specific demand included.

Although the sanctions against Argentina came as a unique response to a unique event, the lessons to be drawn from this particular episode are instructive because they illustrate a more general law. Sanctions against Argentina were effective not solely because of the great power differential between the two groups of adversaries, but also because from the beginning no high expectations were placed upon them. If other cases of sanctions were viewed from a similar perspective, the harsh judgement of scholars and politicians that sanctions are ineffective might perhaps be revised.

The history of sanctions has led current social science to discredit the idea, dominant in the 1920s and 1930s, that sanctions constitute an effective coercive weapon in international politics. This consensus rests on studies of cases in which sanctions against a target nation failed to achieve the political objectives for which they were initially implemented. Several major cases are cited repeatedly: the League's sanctions against Italy in 1935, the UN's sanctions against Rhodesia in 1965, the OAPEC oil embargo of 1973–4, the US boycott of Cuba, the Arab boycott of Israel, and the US grain embargo of the Soviet Union.

Close examination of these and many other cases has led the authors of this article to conclude—contrary to the views prevailing today among scholars in the field—that economic sanctions are effective and useful even if their complex potentials are not fully explored. But, paradoxically, the apparent failure of sanctions is often a necessary concomitant of their actual success.

[15] See Dante Puzzo, *Spain and the Great Powers* (New York: Columbia University Press, 1962), pp. 203–4.

Apprehensive of pushing Mussolini into the arms of Hitler (which eventually took place anyway), neither the League nor the major powers leading it were willing to impose stringent sanctions against Italy for its invasion of Ethiopia. Nevertheless, even the partial measures that were imposed severely strained the chronically weak Italian economy, resulting in high unemployment. Similarly, with Rhodesia there was never any serious effort to make sanctions work. Most of the countries that voted for sanctions did not bother to implement them and declined to join in efforts to make them more effective. Nevertheless, even these partial sanctions affected the Rhodesian economy (for example, the tobacco industry) and, along with other factors, eventually led to the end of the Smith regime.

In neither of these cases is there concrete evidence or reliable statistical data available to substantiate the claim that sanctions were totally ineffective. Both the Italian and Rhodesian governments suppressed relevant data and censored official figures to conceal the impact of sanctions. Without such information it is nearly impossible to evaluate the effects of sanctions accurately. In retrospect, both the Italo-Abyssinian and Rhodesian experiences prove nothing except the folly of half-hearted measures, for full implementation of the sanctions clearly could have produced quicker and more drastic results.

In a similar vein, no one can deny the profound impact on the world's economy and the international distribution of power of the OAPEC 1973–4 oil embargo. As far as Cuba is concerned, the mass exodus to the United States in the flotilla of 1979 was the best evidence that the US economic boycott is hurting the Cuban economy. If the Arab boycott of Israel is not biting, why did the Israeli government in the mid-1970s find it imperative that the US Congress enact anti-boycott laws? And although the Soviet Union was able to circumvent the US embargo by buying grain from Canada and Argentina, it did so only by paying much higher prices and accepting serious shipping delays.

Generally speaking, therefore, a case can be made that sanctions are effective, even if, like the case against sanctions, it cannot be based on hard, reliable statistical evidence.

It is a fallacy to believe that, unless economic sanctions succeed in achieving their publicly stated initial demands, they have failed. The consensus regarding the ineffectiveness of sanctions has resulted from a discrepancy between what the countries imposing sanctions initially demanded and what the sanctions finally achieved. In peacetime, countries which are not in a position to use military power usually formulate their demands in such a way as to allow room for compromise on both sides. Consequently, sanctions that result in compromise resolutions, or those whose fruits are not obvious because the target nation suppresses economic data, are by no means necessarily failures, though they are often judged to be so.

Failure to achieve the ultimate political objectives behind the imposition of sanctions is often the result of a complex combination of irresolution, political compromise, personal frailty, ineffective leadership, private greed, official

timidity and international mistrust. To appraise the effectiveness of economic sanctions, each case needs to be judged on its own merits. Therefore, it is unrealistic to view the political utility of economic sanctions simply in terms of their having failed to force Mussolini to withdraw from Ethiopia in 1936, or the Israelis from occupied Arab territories in 1973, or the Russians from Afghanistan in 1980, or in terms of their failure to force Ian Smith to renounce the Unilateral Declaration of Independence in 1965 within a few months. Sanctions should not be judged useless because they failed to rescue the American hostages from Teheran or overthrow Third World leaders like Mossadeq of Iran, Nasser of Egypt, Castro of Cuba, Idi Amin of Uganda or Qaddafi of Libya. Here we are asking the pistol to inflict damage of which only the cannon is capable.

The real power of economic sanctions lies in their ability to creep in on a target nation and, given enough time, to weaken it beyond measure. Should those who impose them need to shorten the time interval and achieve maximum political effectiveness, sanctions must be complemented by other, more coercive measures.

The gap between expectations of what sanctions ought to do and their actual performance needs to be bridged. Economic sanctions could very well play the role of heavy bulldozers causing deep internal damage in the target nation's political system, preparing the way either for a military intervention, as was the case in the Dominican Republic in 1962, Uganda in 1979 and the Falklands in 1982, or for a diplomatic reconciliation, as was the case in Rhodesia in 1979 or Iran in 1981.

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Note of the month

FRENCH SOCIALISM: A 'REASONABLE DEFEAT'

IN March, the French Socialist government suffered an appreciable but by no means catastrophic setback in the municipal elections. After twenty-two months of office, these local elections provided an interim national verdict on the Socialists' record. Previous local elections (in 1971 and 1977) had been increasingly 'nationalized' by opposition parties and the 1983 municipal elections confirmed this trend.

The municipal vote needs to be seen against the background of the Left's impressive presidential and parliamentary victories of 1981[1] and the subsequent attempts to combine economic expansion and various structural objectives (e.g. decentralization) within the framework of a coherent left-wing alternative. After an initial honeymoon period, the Socialist experiment faced numerous difficulties in the year or so preceding the municipal elections. These difficulties ranged from cantonal (county-council) and by-election defeats to declining popularity ratings and increasing opposition from diverse pressure groups. In the summer of 1982, the Socialist government resorted to more stringent economic policies, notably the introduction of temporary wage and price controls. By January 1983, with the electoral campaign well under way, the right wing vigorously attacked the attempt by the Prime Minister, Pierre Mauroy, to play down foreign trade deficits and unfavourable monthly inflation indicators. Further, the government was criticized by friends and foes alike for alleged incoherence in policy direction.

Nevertheless, the government was prepared to stand on its record of socio-economic achievements, e.g. the rate of inflation reduced from 14 per cent to under 10 per cent, unemployment stabilized, increased welfare benefits, the thirty-nine hour week, early retirement at sixty, a fifth week of paid holidays etc. In fact, Mauroy predicted that 'the worst is behind us' and, simultaneously, refused to concede any economic or philosophic redirection of policy. Unsurprisingly, therefore, the state of the economy dominated the municipal electoral campaign as the Right contested left-wing claims and pointed to the weakness of the franc under Socialist rule.

For the municipal elections, the Socialists introduced a hybrid voting system designed to incorporate stable, electoral majorities with a measure of proportionality. Also, in the big three cities (Paris, Lyon, Marseille), separate arrangements were included to promote greater local democracy within the large metropolitan areas. These innovations are too involved to discuss here but, collectively, they left the Socialists accused of complicating the process of government, creating unnecessary layers of authority and (in Marseille) manipulating boundaries. In defence, the government placed reforms in the context of

[1] See Byron Criddle and David S. Bell, 'The 1981 French elections: the victory of the Left', *The World Today*, July–August 1981.

decentralization and wider participation. Decentralization, in fact, gave the elections an added twist: expected right-wing successes would create numerous pockets of resistance to left-wing rule. In this respect, decentralization of power would back-fire on the Socialists. The Right looked forward to this prospect but, in theory, remained hostile to Socialist decentralization proposals. This was particularly evident in Paris where Jacques Chirac, the neo-Gaullist (RPR) leader and Mayor of Paris, interpreted Socialist decentralization aspirations as backdoor manoeuvres to limit his power and prestige. In 1982, Chirac had successfully diluted Socialist proposals for Paris whilst, in 1983, he appealed for votes to legitimate his control of the French capital. Consequently, Chirac's electoral success (20 out of 20 electoral districts in Paris) was a symbolic victory.

In 1981, Chirac had been a scapegoat for the Right's defeat. In 1983, the neo-Gaullist leader promoted right-wing unity. In order to maximize gains, comprehensive electoral agreements were negotiated between the RPR and Giscardians/Centrists (UDF). Within the combined right-wing forces, Chirac's aggressive campaign contrasted with the low profile of Giscard d'Estaing and Raymond Barre—all potential candidates for the presidency in 1988. Chirac compared his management of Paris with the alleged Socialist mismanagement of the economy or Socialist-controlled towns such as Marseille. The parallel did not end there. Security, urban violence and immigration emerged as key themes in the municipal elections. Inevitably, right-wing critics concentrated on Gaston Defferre's stewardship of Marseille and, as Minister of the Interior, his responsibility for immigration, insecurity and violence levels. Often, immigrants were simply blamed for urban insecurity and violence. The Right polled well in big cities (i.e. over 100,000) and exploited discontented voters in areas of high immigrant concentration (e.g. Marseille, Paris, Dreux, Roubaix etc.). In the electoral post-mortem, the RPR was accused of a demagogic campaign responsible for a climate of fear and insecurity. It was some measure of the 1983 campaign that France's principal anti-racist pressure group (MRAP) filed prosecutions against seventeen right-wing candidates for racist language.

The lessons of the municipal elections were somewhat ambiguous. On the first ballot (6 March), the Right boasted a comfortable majority over the Left. In view of the 1981 defeats, the combined Right's 51 per cent constituted an arithmetic majority in the country and outdistanced the Left by 11 per cent. On the second ballot (13 March), however, the Left recovered well enough to claim 'a reasonable defeat'. The Right was widely expected to make gains but, significantly, failed to recuperate 1977 losses or wrest the majority of France's 220 towns of over 30,000 inhabitants from left-wing mayors. The main lesson to be drawn by politicians and political observers was that the electorate wished to sanction the government but not to exchange it for a right-wing regime, to reprimand it but not topple it. Even the Right acquiesced in the belief that it was not yet ready for office and therefore settled for demands such as the removal of Communist (PCF) ministers from office and a U-turn in economic policies.

At 78·36 per cent the first ballot turnout was high (compared with 75·2 per cent in 1971 and 78·8 per cent in 1977) but this disguised high rates of abstention in apparently disillusioned, traditional working-class and left-wing quarters. In contrast, the Right effectively mobilized its electorate. Therefore, the Left dramatized the campaign between the first and the second ballot in order to mobilize a potential electorate. The record turnout (over 80 per cent compared with 77·6 per cent in 1977 and 73·6 in 1971) worked towards the Left's advantage as abstentionists and other parties' supporters (e.g. ecologists) supported the Left on the second ballot. Much of the attention was focused on the 220 large towns where the Left suffered net losses, though it performed respectably in the smaller of these towns or where younger Socialist mayors had a good municipal record. Overall, the Left suffered a net loss of 30 of the largest towns. The main beneficiaries were the RPR (39 large towns compared with 19 in 1977), the UDF (33 compared with 28 in 1977) and diverse right-wing mayors (26 compared with 22 in 1977). However, largely due to the second ballot revival, the Left remained *majoritaire* in 122 towns—63 Socialist, 57 Communist and 2 left-Radical.

In view of the ambiguity of the election results, President Mitterrand was left with a relatively free hand to interpret the verdict. Most politicians on the Left accepted that the first ballot, in particular, was a warning to the Left but the lessons drawn differed. For instance, the PCF demanded less rigour and more resolute application of the Left's programme. Others within the moderate Left demanded more austerity. Much speculation (particularly in the right-wing press) centred around Pierre Mauroy's leadership of the government. Would Mitterrand replace him? The popular Finance Minister, Jacques Delors, was widely tipped to replace Mauroy. In the event, Mitterrand continued with Mauroy's leadership over a streamlined Cabinet in which Delors assumed increased responsibilities and the number two position after Mauroy.

The municipal elections coincided with the electoral success of the Christian Democrats in West Germany and increasing speculation against the French franc. The French government was anxious to avoid the ignominy of a third devaluation or any policy retreat tantamount to a volte-face on the line propagated since May 1981. Also, Mitterrand and his leading Ministers preferred to resist any all-out moves towards protectionism or withdrawal from the European Monetary System (EMS). Negotiations between European finance ministers resulted in a slight devaluation of the franc but a more substantial revaluation of the German mark. Since this took place within a general realignment of European currencies, the French government emerged unscathed. Nevertheless, French economic policy submitted to the prevailing winds of change. On 23 March, in a Gaullist-style address to the nation, Mitterrand drew the lessons of the municipal elections and the Socialists' term of office. He accepted that necessary risks had been taken but confirmed the legitimacy of Socialist policies. However, Mitterrand's intervention and subsequent government decrees indicated clearly the dawn of a new phase of austerity. Reduced inflation and trade deficits, public expenditure cuts, price increases in the nationalized industries, tax reforms to limit consumer expen-

diture etc. signalled the way ahead. The new phase provoked an angry reaction from trade unions, the French Communist Party and discontented layers. The regime also accepted that more coherence, clarity and effectiveness were essential as regards policy implementation. It remains to be seen whether the new direction will achieve this. In conclusion, a telling lesson of the municipal elections was that it gave the President an excuse for changing course—but, arguably, this would have happened anyway.

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Convergence and divergence in the North Atlantic relationship

DONALD E. NUECHTERLEIN

THE North Atlantic Pact has been in existence for thirty-four years and its military structure has functioned well since 1951. By any standard of measurement, Nato must be judged as one of the most successful military alliances in history. Yet, the longevity of an alliance should rest on the convergent national interests of member states. Although fear of Soviet aggression was the glue that held the alliance together for three decades, the year 1982 produced a serious re-evaluation by all Nato member states of their national interests—on military and economic ties between Western Europe and North America, on the one hand, and relations with the Soviet Union and Eastern Europe on the other. It is not an exaggeration to conclude that the Reagan Administration's determination to abort ten years of détente between East and West Europe precipitated a political crisis within the alliance that is potentially more serious than anything that has occurred since the Suez episode in 1956. The divergence in policies over the Siberian gas pipeline, the growing opposition to the emplacement of US cruise missiles and Pershing IIs in Western Europe during 1983, and the new economic protectionism practised on both sides of the Atlantic are symptoms of a serious divergence of national interests within the Western camp.

The basic interests of Nato members since 1949 can be subsumed under the following four categories: (i) defence of the homeland, (ii) economic well-

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being of the society, (iii) security of the North Atlantic area and adjacent regions and (iv) preservation of a Western, democratic value system. In 1949 there existed a strong convergence, a community of interest, on all four of these basic interests among the original twelve states that joined the North Alantic Pact: there was urgent need for the military power of the United States to be projected over Western Europe to prevent Soviet encroachment and intimidation of the war-weakened countries in the West; there was urgent need for economic co-operation and growth, even though the Marshall Plan laid the groundwork a year earlier for economic recovery from the war; security needed to be enhanced in the Baltic, the Mediterranean and even in the Middle East to prevent the Soviet Union from endangering Western Europe by gaining significant advantage on its flanks; and, all Nato signatories in 1949 believed that Western democratic values were seriously endangered by the Soviet ideology, which appealed to minorities in all West European countries.

This consensus on national interests enabled Nato to expand its membership in the mid-1950s, to include Greece and Turkey in the East and the Federal Republic of Germany in the West, and thus build an alliance system that effectively contained Soviet ambitions from the Baltic to the Eastern Mediterranean. Spain, whose geography was an important link in the Western defence chain, was denied Nato membership for over thirty years because its government's value system was incompatible with the ideological interests shared by the other member states.

Strained consensus

Nato suffered a severe strain at Suez in 1956 when France and Britain, frustrated by Washington's lack of diplomatic support, invaded Egypt without consulting the United States. They were thereafter humiliated before the world and the alliance changed significantly as a result.

Whereas Britain and France had until that time been key partners with the United States in exerting world-wide influence, the Suez crisis clearly reduced their power and influence. From 1956 onward, Washington held an increasingly dominant role in the alliance. During the 1960s, leaders in Western Europe questioned US military involvement in South East Asia and European confidence in American leadership of the alliance was further shaken in the 1970s by the forced resignation of President Nixon, whose détente policies were popular in Europe, and by Washington's inability to prevent the Arab oil embargo. It probably reached a low point in 1979 when the Carter Administration failed to prevent the collapse of a pro-West regime in Iran.

By 1982, the crisis of confidence within the alliance reached major proportions. A new conservative American President was determined to end what he considered to be the military and economic weakness of the alliance and to punish the Soviet leadership for its role in the suppression of freedom in Poland as well as its continued occupation of Afghanistan. Mr Reagan's opposition to the West European legs of the Siberian gas pipeline, especially the credits granted by Nato countries for its construction, led in 1982 to his impos-

ing economic sanctions on the export of US-licensed equipment by European firms, touching off a serious rift within the alliance. A world-wide recession contributed to the problem because most members of the European Economic Community desired to continue East-West trade in order to avoid even higher unemployment at home. In sum, the national interests of Western Europe and the United States were divergent in the autumn of 1982, and the European leaders were looking for ways to loosen the tightly knit organization of the Nato alliance.

Growing divergences

Looking at the four basic national interests of the Nato countries early in 1983, the conclusion seems inescapable that divergence between Western Europe and the United States is a continuing problem and that divergence among European Nato states is increasing.

Regarding defence of the homeland, there is a serious divergence within Nato over how to respond to the mammoth build-up of Soviet conventional and nuclear forces in Eastern Europe, even though there continues to be agreement that Moscow is a hostile world power. The Soviet military build-up has had the unfavourable effect of intimidating some elements of European society and persuading peace groups to campaign against the deployment of an American counterpart of the SS-20 missiles. Many Europeans, especially the young, believe that US arms are as great a threat to their homelands as are Soviet forces. Although this sentiment does not constitute majority opinion in Western Europe today, it does signify a serious erosion in the basic consensus of the Nato alliance—the form of American military protection against Soviet power.

The divergence in interests is also significant in the economic arena. Whereas West European countries generally followed the US lead in economic policy during the 1950s and 1960s, the détente policies of the 1970s produced a growing split between those governments, particularly the Federal Republic of Germany, which believed that trade and financial credits for Eastern Europe and the Soviet Union were good for their countries and those, particularly Britain and the United States, which had serious concerns about whether such trade and financial assistance would create a Western dependence on Eastern markets and eventually result in political dependence as well. The Soviet role in the suppression of the Solidarity free trade unions in Poland was the straw that broke the back of pro-détente advocates in the United States and caused President Reagan to respond with tough economic sanctions against the East European countries. The process of finding a new consensus between Europe and the United States on trade with the East, as well as among Nato countries, is a painful readjustment. It could well lead to more protectionism among alliance countries during 1983.

Regarding regional security outside the Nato area, 1982 found similar divergences among Nato members. Middle East oil is the most notable case in point because European countries, with the exception of France, do not see any

reason to provide military forces for a US-led Middle East build-up whose purpose is to ensure that Europe's oil supplies from the Persian Gulf are not interrupted. There is also considerable opposition in the alliance to heavy US support of Israel and Washington's inability to bring about a Middle East peace. There is resentment, too, particularly among European Socialist parties, over US policies in Central America.

Finally, an ideological gap seems to be emerging between those member states that currently have socialist or social democratic governments, and those led by conservative political parties. For conservative governments, such as Mrs Thatcher's in Britain and Mr Reagan's in Washington, trade with the Soviet Union and Eastern Europe ought to be linked to Soviet behaviour in areas such as Afghanistan and Poland, as well as in the Third World. Since October 1982, the conservative-led German government in Bonn has generally shared this view, although this has not so far affected the strong Franco-German relationship that has transcended ideological differences. For socialist governments, such as those in France, Greece and Spain, East–West trade is a high priority regardless of Soviet behaviour because it helps business and employment at home. The new Socialist government of Spain even questions Spain's membership in Nato. These doubts about Nato defence policy are not based on illusions about the Soviet threat to Western Europe but rather on a different view of the threat than that held in Washington and London.[1] Socialist parties and governments also want larger social programmes at the expense of funds for national defence, and they question the Reagan Administration's huge defence budgets and continuing large deficit.

Crisis scenarios

There are six contingencies, I believe, that could lead to the fracture of Nato during the next couple of years, four of them inspired by actions of West European governments, and two of them resulting from actions by the US government. They are: (i) a decision by one or more European Nato countries not to accept cruise missiles or Pershing IIs on their soil; (ii) a decision by one or more Nato countries (Greece, Spain, Turkey, for example) to dismantle US naval and air bases; (iii) a significant reduction in defence expenditures by one or more Nato countries; (iv) refusal by Nato members to grant the United States landing and/or overflight rights in case of a new Middle East war threatening Persian Gulf oil; (v) a decision by the US government to cut significantly its troop strength in Europe, or its naval presence in the Mediterranean; (vi) a US–USSR agreement to withdraw from East and West Germany, leaving the two German states neutralized. (The latter is unlikely to occur during a Reagan Administration.)

A West German government decision in 1983 not to accept Pershing II missiles would produce a serious rupture in Bonn–Washington relations and might result in action by Congress to withdraw a substantial number of American troops from Germany. This possibility is less likely following the

[1] See Phil Williams, *Europe, America and the Soviet threat*, *The World Today*, October 1982

election victory of the Christian Democrats on 6 March 1983, but Chancellor Kohl might nevertheless insist that President Reagan modify American nuclear policy in order to allay the growing fear of war among Germans. A Belgian or Dutch decision not to accept cruise missiles would be disappointing to the United States, but would not produce the sharp reaction that a German or Italian reversal of policy would bring. It is assumed that Britain under a Thatcher government will proceed with the emplacement of cruise missiles; but if the Labour Party returns to power, Britain might well renounce all nuclear weapons, including its own.

An even more serious threat to the Nato alliance would be posed if any country asked for the withdrawal of US military bases. When France asked the United States to withdraw its forces in 1966, there was serious questioning in Washington whether the alliance was viable without French military participation. In the current political climate, a request by the Greek or Spanish government, for example, for the removal of US military bases would undoubtedly produce calls in Congress for the withdrawal of alliance protection from these countries. The same would be true of Turkey, although that possibility seems remote in the foreseeable future.

At present, Nato governments are pledged to increase their defence budgets by 3 per cent per year after inflation, and most are making a serious effort to meet that target. However, if one or more decided to reduce their military budgets, in the name of economy or otherwise, this could lead to serious questioning by other Nato members about whether these states should remain under the alliance's protection and could produce a public reaction in the United States that demands the withdrawal of substantial American forces from Europe, in the name of economy.

During the 1973 Arab-Israeli war, US Air Force planes were denied landing rights and overflight rights by Nato countries, thus impeding the flow of military equipment to Israel which was then fighting for its existence against Egypt and Syria. If a new Middle East conflict occurs, particularly if it involves a threat to Middle East oil, the denial of landing and overflight rights to US Air Force planes would be a serious blow to the alliance and might lead to the early withdrawal of US protection and military assistance from the countries denying these rights.

Conversely, a unilateral decision by the US government to withdraw military forces from Europe would also have serious consequences. The danger is that a US move to reduce defence expenditures by withdrawing military units from Nato would boost the political support of those elements in Western Europe that believe their security would be best served if the American military presence were reduced and eventually eliminated. Rather than forcing the European allies to do more to defend their own homelands, a unilateral US troop reduction probably would result in European Nato countries spending *less* on defence and gradually accommodating the Warsaw pact countries in some disarmament agreement. In a word, a US threat to withdraw troops from Europe is not a credible political move.

Finally, the age-old fear of Europeans that the super-powers will get together and make a deal at Europe's expense is an ever-present threat to the alliance. Although this fear seems completely unwarranted at the present time, given Washington's and Moscow's Cold-War rhetoric, the two super-powers might decide it is in their mutual interests to pull back forces from Central Europe and thus reduce the risk of nuclear war between them. Even the hint that such a deal might be made between Washington and Moscow would threaten the Nato alliance because West Europeans would be more fearful of each other, particularly of West Germany, without the presence of US forces in Central Europe.

Future prospects

What is the likelihood of any of these six contingencies occurring?

As in 1949, when the Nato alliance was formed, the key to its continued cohesiveness is a clearly perceived Soviet military threat to Western Europe. That view of the Soviet Union's policies is not universally shared today within the alliance; indeed, there is a significant body of opinion, mostly on the left of the political spectrum, that views the Soviet Union as a political but not a military menace to Western Europe's well-being. Thus, détente is seen as a means of reducing Soviet political pressure on the West by offering trade and financial credits to Moscow and Eastern Europe. By the late 1970s, that view was challenged in Britain and the United States. First the Thatcher government and then the Reagan Administration argued that offering Moscow and its satellites trade and financial assistance produced not only a larger Soviet military build-up in Eastern Europe but also the repression of free trade unions in Poland, the tightening of Soviet control over Warsaw Pact governments and the Soviet invasion of Afghanistan. Critics brand this attitude as 'appeasement'.

The likelihood of any or several of the six contingencies cited above happening during the next several years increases if the new Soviet leadership adopts a conciliatory line toward the West, particularly if it makes some concrete concessions on arms reduction and gives evidence of lifting its heavy hand in Poland. This will be especially so if Washington appears to refuse reciprocal concessions. The Reagan Administration will find it more difficult to persuade Nato countries to restrict trade and credits with Eastern Europe if Moscow should decide to accept more free-market activity in Warsaw Pact countries and permits more individual freedom in Eastern Europe. Similarly, if Moscow unilaterally reduces or withdraws its SS-20 missiles in the East, there would be less justification for the United States to place cruise missiles and Pershing IIs in Western Europe. A Soviet offer on mutual troop reductions in East and West Germany would surely increase pressure in the United States for significant US troop withdrawals. In terms of extra-European affairs, a Soviet decision to reduce troop strength in Afghanistan and a declaration that it intended eventually to withdraw all its forces would tend to negate much of the basis for the build-up of American forces in the Indian Ocean and the Persian Gulf area. Such moves on the part of a Yuri Andropov leadership in Moscow would

undoubtedly result in political pressure within the United States, as well as Western Europe, to cut defence and open up trade again with Eastern Europe.

Conversely, if there is no significant change in Soviet policy in 1983 and its military build-up continues unabated, Nato reluctantly will move closer together on both military and economic strategy towards Eastern Europe, even though protectionist policies between the European Economic Community and the United States may increase. A trend towards convergence on defence policy within the alliance does not ensure that Spain under a Socialist government will remain in Nato or that a Greek Socialist government will not demand the early removal of US naval and air facilities. But it does increase the likelihood that Germany, Italy and Britain will accept US medium-range missiles and that France will quietly co-ordinate its military plans with other Nato countries.

In sum, the issue of convergence or divergence in the North Atlantic Alliance rests on the perception of West Europeans about the intentions and policies of the two super-powers. If the Soviet leader, Yuri Andropov, appears to be genuinely conciliatory towards Western Europe while President Reagan appears to be inflexible in East–West relations, divergence between Europe and North America will increase. If Andropov pursues hard-line policies on Soviet arms and on Soviet control in Eastern Europe and Afghanistan while Ronald Reagan appears more reasonable about East–West relations and arms reductions, Western Europe will accept continued US leadership of the alliance. The third possibility, that both the Soviet Union and the United States will pursue tough, uncompromising policies on nuclear weapons and continue their intense rivalry in the Third World, raises the likelihood that West Germany, Greece, Denmark and others will move away from Nato and seek some kind of non-aligned status. This is not imminent, but it would be foolish for Washington and other Nato capitals to dismiss the possibility.

Cost-benefit analysis within ECOWAS

ARTHUR DAVIES

REGIONAL integration or developmental regionalism[1] refers to the joint policies of economic co-operation, co-ordination and integration among countries in order to accelerate the rate of development of member states in particular and the entire geographic region in general. More specifically, the

[1] J. W. Sloan, 'The strategy of developmental regionalism: benefits, distribution, obstacles and capabilities', *Journal of Common Market Studies*, Vol. 10, December 1971, pp. 138–62.

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underdeveloped regions, i.e. Latin America, Asia and Africa, we are told, need economic integration as a developmental strategy in order to increase the welfare gains arising from intensified intra-regional trade,[2] as well as to gather enough strength to deal with the powerful international companies and secure better terms in their economic relations with international institutions and development agencies. But there are few signs that since its formation in 1975, the Economic Community of West African States (ECOWAS) has really got off the ground or that it has come any closer to its objectives. Sometimes, the occasional holding of conferences, issuing of communiqués and references to the existing ECOWAS Treaty with heavy emphasis on the Protocol on the free movement of persons are cited by governments of member states and by commentators as evidence that at last ECOWAS is functioning or that the 'new-born babe of yesterday is now able to walk on its own'.[3] While many writers have merely rehashed the well-known problems inherent in any integration process, few if any have been articulate enough in suggesting solutions that would minimize, if not eliminate completely, the most critical problems, namely, equitable sharing of benefits and burdens and the negative effects of international oligopolies operating within ECOWAS states. Nor does it appear that any lesson has been learnt from the ill-fated East African Community[4] which, to all intents and purposes, had the same features as ECOWAS and hence should have served as a warning. This article intends not only to identify issues that remain to be resolved before one can say that the process of integration in West Africa is yielding fruit, but to suggest ways by which some of these problems could be overcome so as to make integration objectives more meaningful.

It is generally agreed that free movement of goods, capital and labour within the Community would enhance the socio-economic development of the integrated West African sub-region. Equally, harmonized industrial policies would greatly reduce waste. It is instructive to note, however, that success in these areas does not by itself hold the Community together. Two major issues —equitable distribution of cost and benefits and the adoption of a common strategy towards foreign investors—are the most important factors for determining the prospect and future cohesion of ECOWAS. Any pretence that these two issue areas are capable of an 'easy solution' would deal a serious blow to ECOWAS and may even lead to its quick demise.[5]

As a sub-regional economic option for development and growth, ECOWAS can succeed only if answers are provided to certain pertinent questions and

[2] A. Segel, 'The integration of developing countries: some thoughts on East Africa and Central America', *ibid.*, Vol. 5, March 1967, pp. 254–9.

[3] Quoted by R. I. Onwuka, 'The ECOWAS Treaty: inching towards implementation', *The World Today*, February 1980, p. 59.

[4] On the demise of the East African Community, see Richard Hodder-Williams, 'Changing perspectives in East Africa, *ibid.*, May 1978.

[5] It has been suggested that the sharing of benefits was regarded as so crucial that it generated a protracted argument among member states, thus probably delaying the take-off of the Community. See R. I. Onwuka, *Development and Integration in West Africa: The Case of ECOWAS* (Ife: University of Ife Press, n.d.), p. 75.

concessions are granted by member states, especially the more prosperous, to whom 'responsibility for cohesion and survival' of ECOWAS devolves. For instance, it is obvious that all the member states of ECOWAS are not at the same level of development; nor are they endowed with the same mineral or agricultural resources of equal market value, ready for tapping at any given time. How, then, do they share in the benefits and bear the cost of operating ECOWAS? Should the poorer, less-developed member states be enabled to gain more in order to catch up with the richer and more developed states within the Community? Or must the gap remain or widen, since it is not the aim of ECOWAS to make any member state stagnate economically? These are crucial questions to which the Authority of Heads of States and Governments and other ECOWAS agencies must find answers.

While the integration arrangements under the ECOWAS Treaty seem to have equalizing elements, i.e. through the provision of compensation for losses sustained by any member states due to the abolition of tariffs (Article 25), it is not clear how committed member states are to this. Indeed, the compensatory scheme cannot be operated for any reasonable length of time without complaints arising from both the beneficiaries of the compensatory scheme and its other regular contributors who may not always qualify for compensation. In such circumstances, (i) some member states would most probably view ECOWAS as a 'cohabitation' of pygmies and giants, or worse still, an association of perpetual beneficiaries and benefactors; and (ii), the tendency to cheat by falsifying figures on intra-community transactions in order to qualify for compensation would become very pronounced, since some member states would not be ready to take a long-term view of the benefits of co-operation but would rather look for quick rewards.[6] With unwillingness to make sacrifices, once the expected rewards are not coming in fast, frustration develops and the Community may be paralysed. An example of attitudes dangerous to integration was the outcry in Nigeria against the influx of 'illegal immigrants' from other ECOWAS countries (notably Ghana) and their sudden expulsion last January. Another factor souring relations between ECOWAS members is the fear that the pace of Nigeria's industrialization will ensure its dominant position within the Community if and when it embarks on a conscious and systematic export drive. In this context, some commentators refer to Nigerian imperialism.[7] In any event, a xenophobic mentality and a short-sighted economic analysis are serious obstacles to any integration scheme.

What is to be done?

How, then, should ECOWAS distribute the benefits and spread the cost so

[6] Arthur Hazlewood, 'The end of the East African Community: what are the lessons for regional integration schemes?', *Journal of Common Market Studies*, Vol. 18, September 1979, p. 16.

[7] Olufemi Fajana, 'Nigeria's inter-African economic relations: trends, problems, and prospects', in *Nigeria and the World: Readings in Nigerian Foreign Policy*, edited by A. Bolajy Akinyemi (Ibadan: OUP Nigeria for the Nigerian Institute of International Affairs, 1978), p. 30.

that no member state would feel cheated because of deriving less benefit than the others or bearing the heaviest burden of the Community? To answer this question, one has to go beyond Articles 25 and 26 of the ECOWAS Treaty which simply provide for compensation to be paid for loss of revenue from tariff reduction and for safeguard measures where, in furtherance of the objectives of the Community, serious disturbances occur in the economy of member states. Article 2 of the Protocol on the Assessment of Loss of Revenue provides, among other things, 'compensation to Member States which have suffered losses as a result of the location of Community enterprise' and promotes 'development projects in the less developed Member States of the Community'. However, there has been dissatisfaction in some member states, which claim that contribution to the Fund is not equal, but is assessed on the 'basis of a co-efficient which takes into account the Gross Domestic Product and per capita income of all Member States'. This perhaps accounted for Nigeria in 1977 paying 32·8 per cent of the total contribution, followed by the Ivory Coast and Ghana with 13 per cent and 12·9 per cent respectively, while Upper Volta, Guinea-Bissau and Cape Verde Islands which are among the least developed contributed 2·6 per cent, 1·5 per cent and 1 per cent respectively.[8] What seems to complicate the issue and reduce the confidence of member states further is the fact that some of them are not able to contribute regularly to the Fund and, more importantly, that the Fund may not enjoy the degree of political autonomy necessary to facilitate easy disbursement.[9] Whatever the flaw in the compensatory scheme, it is an important equalizing element. While the more prosperous member states may appear to bear a heavier burden in the Community than the poorer ones, in the long run they are likely to gain more from trade liberalization when the Community is fully operational. This is the perspective from which leaders in such member states should view integration in order to sustain the Community.

Sectoral planning

Furthermore, apart from compensatory schemes, sectoral development planning for the entire Community needs to be intensified. Sectoral development planning in this case would refer to the allocation of investment among member states[10] and the harmonization of industrial policies 'so as to ensure a similarity of industrial climate' (Article 30). In the allocation of industrial projects, however, the factor endowment of the member states and their respective absorptive capabilities would be the main yard-stick to be used.

Thus, each member state would be allocated an industrial project matching

[8] *Daily Times* (Nigeria), 21 November 1977.

[9] Sam Olofin, 'ECOWAS and the Lomé Convention: an experiment in complementarity or conflicting customs union arrangements', *Journal of Common Market Studies*, Vol. 16, September 1977, p. 65.

[10] T. Y. Shen, 'Sectoral development planning in Tropical Africa', *East African Economic Review*, Vol. 7, June 1975, p. 25. The Francophone CEAO gives priority to the least industrialized states: see Emiko Atimomo, *Law and Diplomacy in Commodity Economics* (London: Macmillan, 1981), p. 278.

its natural resource potentials through joint-venture arrangements either between the member states or between ECOWAS as an entity and foreign investors. The advantages to be derived from sectoral development planning would be twofold. First, no member state would lag behind unduly in industrialization since, with time, all would have specific industrial projects undertaken by the Community. Indeed, in the interests of a balanced and harmonized development within the Community, special treatment should be given to the relatively less developed member states, irrespective of economic cost. The same arguments are used for regional developmental policies at national level, which in most cases do not rest on economic grounds but on political and social considerations aiming to avert a country's possible disintegration. If, at the national level, wide economic disparities can generate political tension, then refusal to grant special concessions to the relatively less developed member states of an economic union is similarly bound to threaten cohesion and erode the necessary political basis for integration.[11] In the second place, sectoral planning would promote complementarity in production rather than wasteful competition which is destructive for the developmental goals of the region.

While bargaining among the ECOWAS member states to implement the above recommendations would be extemely difficult—because the issue is regarded by their leaders as political rather than economic—it is none the less imperative for them to develop a Community spirit if ECOWAS is to survive. This would include taking a long-term view of the benefits to be derived by staying in ECOWAS as against the short-term cost of membership, and also willingness to compromise in favour of the less privileged member states.[12] In fact, each member state should be fully aware that it would lose more by opting out of the Community.

Foreign investment

With the present poor and largely unstable politico-economic conditions prevalent in the member states, the goal of regional integration directed towards industrial growth does not appear attainable without concrete agreements on sectoral allocation. Equally important is the need for the 'spoils' of integration to accrue more to the member states than to the foreign investors whose interest in the region is not and cannot be identical with Community goals. If industrialization is recognized as an economic strategy and a political rallying point for ECOWAS, then member states should accept some basic realities about foreign investment and regional economic development. This brings us to what ECOWAS should do about foreign investors.

No member state of ECOWAS seems to have generated sufficient internal

[11] P. Robson, *The Economics of International Integration* (London: Allen and Unwin, 1980), p. 116.

[12] This kind of special treatment is not uncommon. Peru, Bolivia and Ecuador which are relatively less developed within the Andean Common Market enjoy some concessions. See William P. Avery and James D. Cochrane, 'Subregional integration in Latin America: the Andean Common Market', *Journal of Common Market Studies*, Vol. 11, December 1972, pp. 85–102.

savings and aquired related technology for any meaningful industrial take-off. The paucity of capital and technology within the Community means that multinational corporations will inevitably be allowed to import capital and technology into the region either on a basis of full ownership or under so-called joint-venture arrangements. Besides, regional economic integration usually attracts the activities of multinational corporations, since these companies are quick to perceive the formation of a customs union as a threat to the export of goods and services from countries outside the union. They therefore move fast to set up a network of subsidiaries in the integrating region in order to operate behind the tariff wall established by the union, thus preserving the export market and source of raw material for the parent companies. That being the case, the consolidation of ECOWAS would certainly encourage more foreign investors to invest in member states of the Community in order to beat any tariff scheme.

Additionally, foreign private investment poses problems not only for some national economies but also for the full realization of the goals of economic integration. First, the tensions between the national objectives of the nation-states and the profit-motives of multinational corporations seem to be growing. More importantly, the developing countries are increasingly disturbed by their vulnerability to economic pressure by multinational corporations. Specifically, the integrating developing countries are also aware of the questionable and controversial role the foreign companies are likely to play in filling the capital/technology gap that exists in their regions, but do not seem to know what to do about these companies whose externally oriented structures are very often irrelevant to the host-state's autonomous development.

To reduce, if not eliminate, the negative effects of foreign investment on the Community's development objectives, two alternatives are open to ECOWAS. First, there is a growing need for the member states to harmonize their various foreign investment laws and to agree among themselves the equitable sharing of industrial projects to be allocated. Thus, foreign investors who wish to operate within the Community would be compelled to invest in ECOWAS in accordance with the comon objectives and rules laid down by the Community. The advantages of having a common investment code and sectoral programming are two-fold: (i) investment would be streamlined and conflict between member countries would be considerably diminished;[13] (ii) the high mobility and the bargaining strength of multinational corporations vis-à-vis the national governments of ECOWAS states would be greatly reduced, since there would be no competitive incentives offered by different countries to attract foreign investment. This would also eliminate the practice whereby multinational corporations play off one government against another.[14]

While some critics may consider the enactment of a common investment

[13] Charles Schill, 'The Mexican and Andean investment codes: an overview and comparison', *Law and Policy in International Business* (Georgetown University Law Center, 1974), p. 481.

[14] Richard W. Moxon, 'Harmonization of foreign investment laws among developing countries: an interpretation of the Andean Group experience', *Journal of Common Market Studies*, Vol. 16, September 1977, pp. 25–52.

code for ECOWAS premature, no one can deny its ultimate importance. Foreign investors are not known for their passivity vis-à-vis the policies of LDCs and their implementation in the integration process. Their enormous economic power has been extensively used to influence the content and the degree of integration among developing countries to the extent that these multinationals turn out to be the major beneficiaries in such integration schemes.[15] Therefore, if the ECOWAS member states wish to utilize the underlying economic and instutional structures of regional economic integration for their development, they have to come to grips with the problem posed by foreign investors within the Community.

The second alternative is the establishment of an ECOWAS Development Corporation. The aim would be the promotion of economic integration of member states in the context of rational specialization and an equitable distribution of investment, taking into consideration the need for effective action to increase the benefits of the relatively less developed member states of the Community. Such a Corporation would be established by Protocol; its capital could be obtained from shares of stocks owned by the governments of member states, private and public institutions and individuals who must be nationals of member states. As an alternative source of funding, ECOWAS could set up a Development Bank which would make funds available to the Development Corporation and the needy member states for industrial projects. As autonomous entities within the Community, the Development Corporation and the Development Bank would neither depend on any member states nor receive directives from their government, but would co-ordinate their activities with a view to providing a sound industrial base for the entire Community.

The problems that beset ECOWAS are by no means unique; other regions involved in a process of integration have gone through them. But the problems do not appear insurmountable if positive action can be taken in the direction indicated above. More importantly, ECOWAS should take a look at the sophisticated Common Investment Code and the sectoral programming of the Andean Pact which, while encouraging foreign investors, at the same time force them to invest in the region in accordance with the Pact's overriding objectives.This is the only way to ensure that the questionable role played by multinational corporations in various individual national economies is curbed in the Economic Community of West African States. Without this, the assertion that ECOWAS 'will provide the most fruitful and dependable basis for accelerated increase in human welfare' and serve as a means of achieving collective self-reliance in the sub-region will remain misplaced optimism.[16]

[15] See C. V. Vaitos, 'The attitude and role of transnational enterprises in economic integration process among the LDCs', *Journal of International Studies*, Vol. 6, Winter, 1977–8, p. 252.

[16] O. Udokang, 'Nigeria and ECOWAS: economic and political implications of regional integration', in *Nigeria and the World, op. cit.*, p. 60.

Securing West Africa: the ECOWAS defence pact

JULIUS EMEKA OKOLO

FOLLOWING the inauguration of the ECOWAS defence pact at the May 1981 summit meeting of the Economic Community of West African States in Freetown, Sierra Leone, Radio Nigeria commented on 8 June: 'The significance of a defence protocol cannot be over-emphasized, particularly at a time when almost every African country is becoming more and more vulnerable to external aggression.'[1] The perennial concern of African leaders and African public opinion for continental, sub-regional and national security as a paramount imperative for progress and development has been verbalized at various levels, but ECOWAS is the first major grouping of African states to take a concrete step towards the creation of a defence organization.

But will the ECOWAS protocol relating to mutual assistance on defence really contribute to regional security and the security of the various member countries of the organization? This article seeks to outline the principal factors that have recently generated considerable concern for security in the West African region, discuss the nature, content and implications of the defence pact, and assess its potential as an instrument of regional security.

Antecedents of the defence pact

In a sense, the ECOWAS mutual defence arrangements can be said to have derived inspiration from the idea of an African military high command propagated in the continent since the late 1950s, the heyday of efforts to institutionalize the concept of Pan-Africanism. Two notable proposals to this end were Nkrumah's continental Union Government and his African High Command, a military force 'to be composed of troops from independent African states and . . . charged with responsibility for safeguarding peace on the African continent.'[2] Between 1960 and early 1966, events in Africa such as the activities of the major powers during the Congo crisis, army mutinies in East Africa resulting in the swift dispatch of British troops to restore order, border disputes among sister states, and various forms of civil strife convinced Nkrumah that only an African army and high command within a continental political union could have 'properly intervened'.

The two proposals failed primarily as a result of Nigeria's opposition and success in getting a coalition of African states to support its stand. Nigeria's

[1] *Africa Research Bulletin* (Political, Social and Cultural Series), 15 July 1981, p. 6072.
[2] Erasmus H. Kloman, Jr, 'African unification movements', in Norman J. Padelford and Rupert Emerson (eds), *Africa and World Order* (New York: Praeger, 1964), p. 125.

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As the first truly political decision of ECOWAS, the adoption of the protocol signifies the willingness and commitment by member states to restrict their sovereignty in a new area.

However, it was soon considered that, though agreement on non-aggression could help generate trust among member countries, it was an insufficient insurance against external aggression and and externally supported domestic insurrection and revolt within the Community. Therefore, at the 1979 Dakar Summit, the Authority noted with appreciation two defence pact proposals submitted at their own initiative by Presidents Senghor of Senegal and Eyadema of Togo and directed the Chairman of the Council of Ministers and the Executive Secretary to 'convene a meeting of a technical commission of ministers composed of Ministers of Foreign Affairs, Defence, Finance, and Economic Affairs as well as Chiefs of Defence Staff to consider the said documents and submit a harmonized draft defence pact to the next meeting of the summit'.[6] The group met in May 1980 but failed to reach agreement on a defence pact owing to strong objections to the proposal by three of the sixteen member states—namely Cape Verde, Guinea-Bissau and Mali;[7] whereupon the matter was referred to the Authority at its scheduled meeting in Lomé a few days later.

During the Lomé meeting, Senghor advised that those countries which did not want to join should be left out and that those wishing to do so should negotiate a defence pact.[8] His views and those of President Eyadema prevailed, and the Authority formed an eight-nation ministerial committee to produce a final draft of the defence pact, which was signed by all the states except Cape Verde, Guinea-Bissau and Mali in Freetown, Sierra Leone, on 29 May 1981.

The Protocol on Mutual Assistance on Defence provides that units from the armies of ECOWAS countries will constitute the Allied forces of the Community (AAFC) under a Force Commander and will, among other things, carry out joint military exercises. The Ministers of Defence and Foreign Affairs of member states constitute a Defence Council under the current Chairmanship of the Authority, and the Chief of Staff from each state will form a Defence Commission. A Deputy Executive Secretary for Military Affairs is to be appointed. His functions include updating plans for the movement of troops and logistics and initiating joint exercises, preparing and managing the military budget of the Secretariat, and studying and making proposals to the Executive Secretariat in respect of matters relating to personnel and equipment within his jurisdiction.[9]

[6] ECOWAS Document ECW/HSG/II. 7 Rev. 1, and *Official Journal of the Economic Community of West African States* (ECOWAS), Vol. 1 (June 1979), p. 13.

[7] The Malian Representative, for instance, argued that a defence pact would be a step towards the 'colonial reconquest' of Africa and would encourage a split of the continent into blocs dominated by outside powers. He did not state exactly why he thought so. See *West Africa*, 9 June 1980, p. 1038.

[8] *ibid.*

[9] ECOWAS Document A/SP3/5/81, 'Protocol Relating to Mutual Assistance on Defence', in *Official Journal of the Economic Community of West African States* (ECOWAS), Vol. 3 (June 1981), pp. 9–13.

Three categories of hostile military actions which ECOWAS will handle under the protocol are identified:

(i) *Aggression from a non-member state.* At the request of a member state, the Authority shall meet and decide on the expediency of military action and entrust its execution to the Force Commander of the AAFC (Articles 6 and 16). The Executive Secretary, Dr Aboubakar Diaby-Quattara, has stated that the meeting will be held within forty-eight hours of the member state's request.[10] In such a case of external aggression the ECOWAS forces will go to the defence of their member.

(ii) *Conflict between member states.* The Authority shall meet urgently and take appropriate action for mediation (Article 17). This action will be primarily in the form of deploying the AAFC as a peace-keeping force.

(iii) *Internal conflict in a member state.* When such conflict is actively maintained and sustained from the outside, action will be taken by the Authority as in the case of external aggression; but if the conflict remains purely internal, Community forces shall not intervene (Article 19).

To become operative, the Defence Pact still awaits ratification by at least seven states, but the ECOWAS Treaty has already been amended to include the Defence Council as one of the principal institutions of the Community and the Defence Commission as one of the technical and specialized commissions.[11]

Assessment of the defence pact

Analysis of some of the provisions of the defence pact raises a number of interesting issues. First, military experts would agree that the organizational structure of the pact is cumbersome and inefficient. The pact makes no provision for a permanent ECOWAS standing army. In effect, if any member state should require ECOWAS assistance in a case of external aggression, such aid would, at least in the initial states, remain ineffective, for the army, air force and navy of other member states would first have to be organized and co-ordinated by the AAFC before despatch. In view of the Executive Secretary's clarification that the AAFC would be mobilized in forty-eight hours, the chances are that the enemy would have inflicted a crippling blow on the adversary before ECOWAS could attempt to bring the full weight of its combined conventional air, land and sea forces to the rescue.

Moreover, ECOWAS would be principally constrained by a range of other military, political, diplomatic and logistic considerations in defending a member state against external aggression. The armed forces of member states come from diverse colonial backgrounds and have different traditions,

[10] *Africa Research Bulletin* (Political, Social and Cultural Series), 15 July 1981, p. 6072.

[11] ECOWAS Document A/SP2/5/81, 'Additional Protocol Amending Article 4 of the Treaty of the Economic Community of West African States Relating to the Institution of the Community', in *Official Journal of the Economic Community of West African States* (ECOWAS), Vol. 3 (June 1981), pp. 7–8.

languages, training and sources of equipment. It is, therefore, hard to see them forming an effective fighting force without more continuous training and socialization than envisaged in the mutual defence arrangement.

Besides, while not denying that the security arrangement is an important one, it is notably only one of the several other security commitments and interests of some of the ECOWAS states. For instance, the Francophone CEAO states, which in 1977 signed a non-aggression pact, had in the aftermath of mercenary invasion of Zaire's Shaba province decided to reaffirm their 'willingness to continue co-operation within the framework of the agreement which could be extended to include other (ECOWAS) states in the region'.[12] The People's Republic of China has military assistance agreements with Equatorial Guinea, Guinea and Mali; France has defence and/or military co-operation agreements with Benin, Ivory Coast, Mauritania, Niger, Senegal, Togo and Upper Volta; and Spain maintains close military links with Equatorial Guinea.[13]

Thus, considering the unwieldy organizational structure, some leaders of ECOWAS states may be tempted to take the command of the united force into their own hands. A rivalry could develop, resulting in a scenario in which a major power—France, for example—might invoke its military agreement with a particular state and intervene. Similarly, depending on who the enemy may be, ECOWAS states might find themselves having to choose between a member against whom aggression is being committed and their other security partners.

Second, there is the problem of finance. Some of the strongest advocates of the pact have made additional efforts to convince other member states that the ECOWAS force could easily be maintained with funds equivalent to the appropriations for each country's units. But it is difficult to see this theoretical proposition translated into practice. In 1978, all ECOWAS states including Nigeria had a total of 315,000 men in their armed forces and spent only $2·1 billion on military expenditures (the figures for Nigeria alone were 204,000 men and $1·8 billion, respectively).[14]

In the event of external aggression, ECOWAS will find that a great deal of effort will be called for in order to ensure communications, transport, the upgrading of infrastructure etc. In the words of one columnist, 'without such support no defence operation is feasible,' for 'all the logistics will call for additional large sums of money including foreign currency, inter alia, because the ECOWAS countries are just unable to undertake these operations on their own.'[15] In effect, funds for financing important community projects in telecommunications, agriculture, transport, industry etc. will be diverted to

[12] *New Nigerian* (Kaduna), 22 October 1979.

[13] International Institute of Strategic Studies, *The Military Balance 1980–1981* (London, 1980), p. 51.

[14] US Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers 1969–1978* (Washington, D.C., December 1980), pp. 33–113.

[15] David Ogunsade, 'Stumbling blocks of ECOWAS defence pact', *Daily Times* (Lagos), 6 December 1981, p. 2.

military administration and *matériel* for arming a defence force—an expensive development at a time when ECOWAS is yet to establish itself as a sound economic union. The seeking of foreign financial and military assistance at a time of crisis also invites some element of foreign intervention.

Third, the ECOWAS defence pact has no definite application in the case of internal subversion except when it is externally aided and abetted. The intent of this is to proscribe a legal basis for unwarranted intervention into the affairs of any of the member states. The pact is, however, silent on a number of issues. For example, it does not say what happens if a Bokassa-type tyrant should emerge in West Africa and if the armed forces of a foreign power, such as France, are used to overthrow him. Should ECOWAS forces go to the aid of the tyrant or remain neutral? What will happen if a leader of a member state (Siaka Stevens of Sierra Leone, for instance) under the threat of a military *coup* calls for the assistance of the leader of his country's immediate neighbour (Sekou Touré of Guinea) under some existing bilateral agreement? If Sekou Touré responds favourably, will this be considered an intervention under the provisions of the defence pact?

Prospects for the future

Such questions call for caution in assessing the ECOWAS defence pact. Clearly, the leaders of the West African states have shown seriousness of purpose in endeavouring to establish the pact; but there are crucial hurdles that must still be scaled at the political level before the pact can become truly effective.

In the first place, the principle of unanimity—a key factor in the decision-making process of the Commumity—has been breached: the opposition of several member states to the creation of the pact at the initial stage raises doubts as to the chances of the Community to generate consensus in military strategies in times of emergency. If consensus were to prevail, the pact, once it is ratified, would have a good chance of achieving its essential objectives which are 'to maintain peace and harmony, ensure territorial integrity and reinforce security in individual member states as well as in the Community as an entity.'[16] Many remain sceptical that the West African leaders will be able to forge a consensus. The major problems are the existence of powerful enmities among the states and the absence of an ECOWAS patriotism. Some, therefore, argue cogently that a mutual defence force demands a cohesion quite different from that required by a postal union. Others suggest, on the contrary, that harmony of interests abounds in ECOWAS as evidenced by the readiness of the leaders to experiment with the mutual defence pact. The question is whether the harmony of interests outweighs the enmities.

The second issue concerns the pact's relationship to the OAU Charter. Although some are optimistic that the advent of the pact will revive the idea of an African High Command, or at least of some other OAU force, critics have felt that it would be at variance with the spirit of the OAU Charter. They do

[16] Dr Diaby-Quattara, quoted in *West Africa*, 18 February 1980, p. 330.

not deny that the experience of the defence accord will prove of great value in helping to assess whether an OAU force is at all practicable, but they fear that ECOWAS may turn into a closed regional military grouping, isolated from other African countries and the OAU—a development that is bound to have far-reaching negative consequences for African unity.

The final issue has to do with the special role of Nigeria as a sub-regional power and France as the principal extra-regional actor. There is no doubt that Nigeria is a sub-regional economic and military power whose muscle is essential for the growth and development of ECOWAS. Its interest in the Community derives from its genuine concern for the general welfare of the citizens of the states of West Africa. Through the ECOWAS defence pact, therefore, Nigeria can show itself as a truly sub-regional military power and a strong supporter of institutions for Community conflict management, and help to end extra-regional military intervention, especially by France.[17]

Significantly, the advent of the Socialist leader, M. François Mitterrand, at the Elysée has replaced the mutual suspicion that had characterized Franco-Nigerian relations with closer diplomatic and economic co-operation. France has also given assurances that it 'will not intervene alone again' in Africa. Since the future of the ECOWAS defence pact may to some extent hinge on the attitude of France, considering the many Francophone states with which it has defence agreements, and Franco-Nigerian relations, the present prevailing political atmosphere in Paris appears to give some grounds for optimism.

What is not so encouraging, however, and makes the outlook for the defence pact a mixed one is the fact that the second anniversary of its inauguration is fast drawing near without its establishing protocol having been ratified. This typifies the general slowness of the Community to achieve progress towards integration. In this instance, member states may be unsure as to whether they would actually wish to restrict their sovereignty in the direction called for by the pact. Perhaps nationalistic and ideological considerations of the type openly expressed by Mali are shared by a larger number of members. If so, the initial enthusiasm for the pact will decline even before a crisis situation puts its credibility and viability to the test. If not, it has plenty of potential for demonstrating ability to meet its objectives.

[17] See, for instance, Julian Crandall Hollick, 'French intervention in Africa in 1978', *The World Today*, February 1979.

Lesotho 1983: year of the election?

MALCOLM WALLIS and ROBERT D'A HENDERSON

AFTER thirteen years without elections, will Lesotho voters (including many who were not of age at the time of the last election in 1970) soon be going to the polls? In a press interview last August,[1] Prime Minister Leabua Jonathan declared that his Basotho National Party government would name a general election date at the next meeting of the National Assembly in early 1983. But can election campaigning begin against a backdrop of continuing insurgency, albeit at a low level, by the opposition Basotholand Congress Party's military wing, the Lesotho Liberation Army? By outlining the experience of the 1970 aborted elections and the political events since, it is possible to go on to discuss the crucial domestic and foreign factors which could have an impact on any forthcoming elections and should provide the basis for speculating on the prospective outcome of such an election.

The aborted 1970 elections and after

At the time of the last general elections in 1970, the main protaganists were Mr Ntsu Mokhehle's Basotholand Congress Party (BCP) and the Prime Minister's Basotho National Party (BNP). The latter party had been somewhat surprising victors in the previous elections in 1965, one year before independence. During the 1965–70 period, the BCP engaged in vigorous organizational work in an attempt to regain what had hitherto been regarded as its dominant position in the country's politics. The BCP had been established in the early 1950s and was generally regarded as a 'radical' party because of its links with other 'congress' parties in Africa (e.g. South Africa, Ghana, Malawi), its anti-traditionalism and its outspoken opposition to South Africa's racist policies. The BNP was formed late in the 1950s as an offshoot of the BCP. It was characterized by strong links with the chieftainship and a more passive attitude towards neighbouring South Africa.

While detailed discussion of the 1970 elections may be found elsewhere,[2] most reports suggest that the BCP indeed succeeded in attracting enough support to defeat the government at the polls. The government was initially divided as to whether it should resign as constitutionally required and eventually the 'hard-liners' in the Cabinet carried the day, the elections being declared null and void (hence 'aborted'). But no results were ever announced officially. The armed forces (in the form of the Police Mobile Unit) crushed the resultant dissent with a firm and sometimes ruthless hand. Thus Jonathan

[1] *The Star* (Johannesburg), 18 August 1982, and *Lesotho Weekly* (Maseru), 20 August 1982.

[2] See B. M. Khaketla, *Lesotho 1970: An African Coup under the Microscope* (London: C. Hurst & Co., 1971).

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was able to remain in power, though with the image of his government tarnished in the eyes of many observers. He subsequently called for a 'holiday from politics' so that his government might instead concentrate on national development activities.

After the events of 1970, intermittent attempts have been made by Jonathan's BNP government to achieve some sort of reconciliation with the BCP and the other smaller opposition parties. Since the formation of the purely nominated Interim Assembly in April 1973, only limited success has been achieved. The BCP leader, Mokhehle, rejected Jonathan's proposal that each of the four political parties (BNP, BCP and the two minority parties: the royalist Marematlhou Freedom Party, MFP, and the United Democratic Party) submit lists of candidates from which nominees to the National Assembly would be selected by the BNP government; in addition, 22 principal chiefs and other nominees who had rendered distinguished national service would be included. Jonathan had earlier rejected Mokhehle's demands concerning what powers the Interim Assembly would possess. Shortly afterwards, Mokhehle fled the country having allegedly been engaged in subversive activities justifying his imminent arrest, subsequently appearing in Botswana and later Zambia; it is now thought likely that he is in South Africa.

The failure of the BNP government to come to terms with Mokhehle has resulted in the political divisions within the country remaining as sharply defined as they were in the early 1970s after the aborted elections. This is despite the fact that a number of opposition leaders have adopted conciliatory attitudes towards the BNP government since 1973. Throughout this period, Mokhehle remained firm in his rigid opposition to the Jonathan government, inconsistent though he may have been on the issue of close South African connexions.

The BNP government took a tentative step towards reconciliation in late 1975 when two Cabinet posts were allocated to opposition politicians. Mr Gerald Ramoreboli, Mokhehle's erstwhile deputy leader, became Minister of Justice, a post which he still holds. The other Cabinet post of Minister to the Prime Minister went to the Marematlhou Freedom Party as well as a more junior government post of Minister without Cabinet rank. Mokhehle, from exile, denounced this 'collaboration' with the BNP government and continued to claim that his BCP party should be declared the rightful victor in the 1970 election. This rift between Mokhehle and Ramoreboli has continued to widen, though the latter's faction of the BCP appears to possess little popular support.

But Mokhehle was simultaneously experiencing difficulty in maintaining unity within his BCP party in exile. Repeated reports had hinted at increasing internal dissent in his exile faction, a fact which became more apparent with the 1980 enactment of the Lesotho Amnesty Act by the Interim Assembly. This Act permitted a government pardon to be granted to Lesotho citizens living outside the country, who would be liable to prosecution for acts of high treason, subversion and politically motivated acts against life and property.

The motive behind this legislation is thought to be a response to requests by some BCP leaders in exile to be permitted to return without the threat of prosecution. Indeed, after its enactment, several exiled leaders did return to Lesotho, including Mr Koenyama Chakela (the Secretary-General of the BCP), who had gone into exile in 1974 and was, up to the time of his return in October 1980, regarded as Mokhehle's key lieutenant. Upon his return, he claimed that the BCP National Executive in Exile had expelled Mokhehle from the party in 1976 because of the latter's decision to 'ride on the back of the devil', a reference to Mokhehle entering into various forms of clandestine cooperation with the South African government. Repeated reports trace links (i.e. material assistance and freedom of movement through South Africa) between the military wing of Mokhehle's BCP faction, the Lesotho Liberation Army (LLA), and the South African government and defence force.

Mokhehle's refusal to accept a pardon under the Amnesty Act and return to Lesotho lends weight to the view that he is committed to overthrowing the Jonathan government by force (i.e. occasional hit-and-run guerrilla attacks and bombings) rather than through the uncertainties of an election, especially with the reminder of the outcome of the 1970 election. In May 1979,[3] the LLA began its guerrilla attacks on a variety of targets within the country, especially in the north-eastern Buthe Buthe district which borders on the Qwa Qwa homeland of South Africa. Damage was also inflicted on the main post office and power station in Maseru. In a Lesotho press report in December of the same year, Mokhehle declared that the LLA was the military wing of his faction of the BCP.[4] As there is no evidence that the LLA has bases within Lesotho from which to operate, it is all the more likely that Mokhehle and his LLA forces must have entered into some form of agreement with South African authorities to operate either from within South Africa or from one of its bordering homeland areas. This point is further confirmed by the fact that Lesotho is completely surrounded by South Africa, necessitating Mokhehle's LLA to traverse South Africa in order to get to Lesotho and to ensure safe rear areas and movement of military materials.

Thus, by 1982, the situation within the BCP could best be described as 'faction politics'. A once united and popular BCP had become divided into three factions, associated with Mokhehle, Ramoreboli and Chakela. In addition to this, the Mokhehle faction is showing further signs of splitting within itself. The Secretary-General of the Mokhehle faction's 'internal wing', Mr G. M. Kolisang, recently denounced his leader for creating the LLA, an action which he considered to be contrary to the BCP constitution.

Against this background of factionalism within the BCP, Jonathan tabled, in March 1981, a motion in which he was requested by the BNP-nominated assembly 'to call and arrange a national referendum to determine if the majority of the Basotho Nation desires the holding of a general election'. This was the first concrete step since 1970 taken by the BNP government to re-establish the electoral process in Lesotho. In the event, no referendum was held. In-

[3] *Lesotho Weekly*, 31 May 1979. [4] *ibid.*, 15 December 1979.

stead, in October 1981, Jonathan made a formal announcement that national elections would be held in the near future, and he invited all the country's political parties and their leaders, including Mokhehle, to be ready. But at the same time, he made it clear that continuing internal violence, whether by word or deed, could make it difficult to go ahead. Since this announcement, the LLA does not appear to have lowered its level of violence; it seems on the contrary to have escalated its activities during the first half of 1982 with intermittent night-time mortar attacks on the main base (in Maseru) of the Lesotho Paramilitary Force (LPF, which is equipped with light/medium armaments). These mortar attacks originated from the South African side of the Caledon River, which forms most of the south-western boundary of Lesotho. And last July and August, when the murders of Chakela and Mr J. K. Rampeta, the Minister of Works, occurred, the LLA claimed responsibility in both cases. These developments have cast further doubts on whether elections will take place. But Jonathan, speaking at Rampeta's funeral, stated that the government was preparing to call general elections soon '*regardless* of Mokhehle's "Lesotho Liberation Army" acts of violence in the country'.[5] Judging by such statements, the government appears anxious to regain some of the 'democratic' respectability within the world community which it forfeited in 1970. At the same time, it seems to feel that the BCP's factional divisions will increase the prospect of a government victory in an 'open' election. However, caution or delaying tactics might still prevail should there be any signs of an impending government defeat at the polls.

Domestic factors

In spite of his reportedly poor state of health and his protracted absence from party politics within Lesotho, Mokhehle remains a key figure. To most Basotho who supported him in 1970, a BCP without him is almost meaningless, an empty shell, as the other BCP leaders do not appear to possess his stature or following. At present, however, it seems unlikely that he will participate in elections; he has repeatedly insisted that there be United Nations supervision rather than merely on-site observation teams, a demand that the Jonathan government has bluntly rejected as an infringement of Lesotho's national sovereignty.

From its own point of view, however, there may be a sense in which the Jonathan government's election decision does come at an opportune time. After all, the opposition is in a more severe state of disarray than it has ever been. The BCP has been ravaged by the centrifugal tendencies which so often trouble political parties in Africa undergoing the traumas of exiled leadership. Thus, Mokhehle's name may remain popular for many politically aware Basotho, but his organizational roots within the country have largely disintegrated and probably cannot be easily rebuilt even if the opportunity arose. As a result, he would have difficulty in fighting an imminent election campaign effectively even if various guarantees concerning 'open' elections were

[5] *ibid.*, 20 August 1982 (emphasis added).

to be agreed with the government. Perhaps he would win none the less, but there has to be a larger element of doubt surrounding such an outcome than there would have been in the mid-1970s. At the same time, some leaders of the BCP within Lesotho have approached the whole issue of elections with caution; on balance, they would seem to have more to lose than to gain if they are held. For example, Gerald Ramoreboli has cautiously supported the call for elections but only on condition that the prevailing violence ends.

The decision to proceed with elections is also connected with the government's view that a victory for the BNP would lend them greater respectability within Lesotho, as well as abroad. In this regard, some importance is attached to avoiding the alienation of the younger generation of potential voters, especially the growing number of university graduates. Particularly within the latter group, increasing signs can be seen of disenchantment with existing political arrangements. By holding elections, the government feels it may satisfy the participatory aspirations of these elements. It is significant that the government is also trying to build up its support amongst the youth, particularly within student politics at the National University of Lesotho, the country's only institution of higher education. The University's campus affairs have become highly politicized along party political lines, with Cabinet Ministers and other political leaders visiting the campus to address the students on the election issue.

As far as Lesotho's predominantly rural population is concerned, the significance of the proposed election centres on the long-standing phenomenon of factionalism at village level. The frequent failure of rural development projects (e.g. village water supplies, soil conservation) has been partly attributable to this factor. The elections may be seen as a way of gaining enhanced legitimacy for such government-sponsored development efforts. Meanwhile, the BNP—with the Prime Minister in the vanguard—is making considerable efforts to boost its following in the rural areas. The *pitso* (public meeting) has become a major focus for the presentation of the BNP as the party of stability and progress whilst the BCP's approach is projected as essentially destructive. Women have long been an important component of rural politics in Lesotho, and the BNP is clearly focusing a lot of attention on them. Demonstrations and rallies involving rural women have been held to condemn the LLA, including a major march through Maseru. Like certain other leaders in Africa (e.g. Banda in Malawi), the Prime Minister has long recognized the importance of linkages with such organizations as women's groups, and the Women Bureau, a co-ordinating office, is part of Jonathan's portfolio. The 'Food for Work' programme (in which rural women work on development projects in return for food rations) is also a political tool utilized by the BNP. In the Lesotho context of large-scale migration of male labour to South Africa, women are of particular importance.

Two other significant groups within the rural parts of Lesotho need to be mentioned. The chiefs have broadly followed the BNP in the past, but the land reform of 1979 has reduced significantly their powers to allocate land and

is likely to make them less enthusiastic about the ruling party this time. Several chiefs who are members of the National Assembly boycotted debates on this legislation. Secondly, the Roman Catholic priests (many of them expatriates) have previously been a significant pro-BNP influence (e.g. in 1970), particularly in the mountain areas. It is not yet clear if they will involve themselves again, but so far they have kept a low profile. The Lesotho Evangelical Church (LEC) also has a large number of members, though it has generally taken an anti-government, pro-BCP stance.

In the case of the other opposition parties, they are not likely to make a great impact on the scene, whatever form the electoral process may take. Even though Mr Charles Mofeli, the leader of the United Democratic Party, has a reputation as an outspoken critic of government (apparently even when Minister of Water and Energy, a post which he held until August 1981), his party does not seem likely to improve upon its small following in the coming months. The Marematlhou Freedom Party also does not seem to have much to gain if elections are held. If it does badly, it could well lose its sole Cabinet post (i.e. Health). In the 1960s, it had quite a substantial following; its royalist views then appealed to many unhappy about the constitutional thinking of the other parties. However, it did badly in 1970 by most accounts (including that of B. M. Khaketla, one of its leaders). King Moshoeshoe II is now apparently reconciled to being a constitutional monarch, a role he once resisted; this is a factor which is likely to diminish the MFP's relevance in the eyes of many voters. Should the picture change and the King be drawn once more into political life, its prospects might alter. There seems, however, little chance of this happening. A further implication arising here is that the status of the monarchy is not likely to be an election issue, unlike the situation in 1965 and 1970.

Foreign factors

Among the possible foreign factors which could affect any elections in Lesotho are the active (i.e. outright support) and passive (i.e. moral support) positions which foreign states and organizations might take towards them. Those which could play such a role include South Africa and its homeland governments, donor countries and organizations, and regional Black African states and liberation movements. At present, none of these are thought likely to take an active, overt position in regard to assisting one Lesotho political party against another, as this would be seen as a blatant act of interference in the internal affairs of a sovereign state. But such actions as offers of increased foreign aid or expressions of solidarity prior to any elections could perhaps enhance the image of any one party over another, especially if the gesture were to come from one of the foreign donor countries or Front-line States. If it came from South Africa (or one of its homeland governments), the reverse could prove true.

Although South Africa and its homeland governments of Transkei and Qwa Qwa geographically surround Lesotho, they are unlikely to play an important

role in any elections. This situation sharply contrasts with earlier South African assistance to Jonathan in the form of, for instance, a donation of nearly R40,000 to his 1970 election campaign.[6] Since 1976, the geo-political pattern in Southern Africa has changed markedly with the liberation of Angola and Mozambique in 1975, the internal African demonstrations within South Africa itself (especially in Soweto in 1976), and the 'independence' of the Transkei homeland in the same year, since followed by the Bophuthatswana, Venda and Ciskei homelands. For the past seven years, Lesotho has often condemned the *apartheid* system and refused to recognize any of the homelands as 'independent'. Furthermore, Lesotho has established diplomatic relations with the socialist FRELIMO government in Mozambique (including placing an embassy in Maputo), the Soviet Union and Cuba, though none of these countries currently maintains an embassy in Lesotho; Jonathan has also paid state visits to Mozambique in August 1978 and more recently to the German Democratic Republic.

Yet this stance is combined with full recognition of Lesotho's continuing economic dependence upon the South African economy: one half of Lesotho's GNP is derived from Basotho workers' remittances from employment in South Africa (especially in the mining industry) and about 70 per cent of the Lesotho government's revenue comes from the common revenue fund of the South African-dominated Southern African Customs Union. In addition to being opposed to *apartheid,* the Lesotho government has repeatedly accused South Africa of directly assisting the LLA (or at least turning a blind eye to its activities) to destabilize the country and its economy.

As a *quid pro quo* to Jonathan's demand for an end to South African assistance to the LLA, South Africa is understood to want Lesotho to stop granting sanctuary to members of the banned African National Congress (ANC) and the Pan-African Congress (PAC) fleeing into Lesotho, though Jonathan has denied that Lesotho provides rear base areas for launching sabotage attacks into South Africa. The South African Prime Minister, P. W. Botha, has also publicly warned that Lesotho 'should not go too far' in view of its closer relations with Mozambique, the Soviet Union and Cuba. And more recently, the Defence Minister, General Magnus Malan, included Lesotho among those neighbouring African countries which were 'politically immature' (i.e. not willing to co-operate with South Africa 'in any sphere' and 'committed to overthrowing the minority regime in the south'), though interestingly Botswana and Swaziland were included among the 'politically mature' countries.[7] Yet an earlier South African press report[8] suggested that the United States 'quietly but firmly cautioned' South Africa against actions which would undermine or topple the Jonathan government; if this is true, which is most likely, it would also include a warning against interfering in any election campaigning.

Although it cannot be rejected out of hand, it is doubtful if any international aid organization or its personnel based in Lesotho would take any role in

[6] Khaketla, *op. cit.*, p. 116. [7] *Rand Daily Mail* (Johannesburg), 12 October 1982.
[8] *ibid., 10 September 1981.*

the projected elections, except as interested spectators. The same would be true for donor countries. While most donor governments are 'unofficially' in favour of holding democratic elections after thirteen years without (if only to maintain the posture of supporting 'democratic regimes' in Southern Africa), none would wish to be seen as interfering in the internal political affairs of a foreign country. And by holding democratic elections, Lesotho can continue to maintain its strongly held distinction of being a sovereign nation-state in contrast to South Africa's homeland governments. This distinction, especially in relation to donor governments, is important to maintain in view of the high level of development revenue which Lesotho receives in the form of foreign assistance and grants.[9]

But it must be noted that three of Lesotho's main donor countries had been singled out in late 1981 by the LLA as 'soft targets' within Lesotho, with bombs exploding in front of the American Cultural Centre, near the British High Commissioner's residence, and under the unoccupied car of the West German Ambassador. There were no casualties in these attacks, nor does there appear to have been any attempt to inflict any—these 'soft targets' would seem to have been chosen for media coverage rather than violence against foreign personnel. LLA strategy now seems to have switched to attacking ministers and prominent politicians.

While Lesotho's relations with South Africa have worsened, its relations with the ANC and PAC liberation movements and neighbouring African states have improved. Jonathan's government has continued to grant sanctuary to fleeing South African refugees and unarmed insurgents, a position supported by the Front-line States, the OAU and the UN High Commissioner for Refugees. In a show of solidarity, the ANC Secretary-General, Mr Alfred Nzo, speaking in Canada, strongly condemned Mokhehle and the LLA as 'being financed by the South African government with a view to destabilizing the Government of Lesotho'.[10] On the other hand, pamphlets reported to have come from the LLA accuse both the ANC and the PAC of collaborating with the Jonathan government.[11]

At present, the BNP government enjoys good relations and the general support of both the regional states and liberation movements due to its opposition to the Pretoria government and to its support for the liberation struggle (even if only passively). All of these are likely to support open and democratic elections in Lesotho, with some states sending official observers. While none are thought likely to undertake any open role in possible elections, it is interesting that Mozambique (along with the Soviet Union and Cuba) had been singled out by Mokhehle as being unacceptable for inclusion in a UN supervision team, a declared BCP precondition for its participation in any elections.[12] It

[9] *Handbook of World Development* (Harlow: Longmans, 1981), p. 120.

[10] *Lesotho Weekly*, 21 May 1982.

[11] *Leselinyana la Lesotho* (Morija), 25 September 1981, and *Sunday Times* (Johannesburg), 4 October 1981.

[12] According to an editorial in the *Lesotho Weekly*, 13 September 1981.

is these good relations and regional support which are currently denied to Mokhehle and the LLA. Mokhehle's position could be affected further if South Africa chose to play a role in the election campaign by either preventing or allowing political exiles from Lesotho to infiltrate the country and by either permitting or denying political campaigning among the nearly 130,000 Lesotho nationals who work as contract workers in South Africa or are resident there. But these various sets of foreign factors must be seen against the background of conflict in Southern Africa as a whole, though foreign factors are unlikely to influence Basotho voters as much as domestic ones.

Election prospects

If the possibility of the supervision of the elections by the United Nations or any other international organization can be discounted, there are a number of possible (even if unlikely) scenarios which can be considered. First, Mokhehle refuses to participate in a BNP-run election as he has so far maintained; as a result, the BNP win a hollow victory, though possibly with an increased majority in the National Assembly, and the LLA attacks continue and perhaps escalate further. Second, Mokhehle agrees to participate, even without international supervision, and wins a majority of the National Assembly seats for the BCP; this outcome is possible in an open election, but unlikely otherwise. Third, Mokhehle agrees to participate without international supervision and loses (few or a minority number of seats); this could be the result of 'fixing' the elections, BCP factional divisions, the counter-productive effect of LLA violence etc. A BCP claim of election fixing could also lead to renewed LLA activities, despite an amnesty for Mokhehle allowing him to participate in the elections. And fourth, no elections are held at all, either due to government delays or continued LLA activities—with the result of a continuing vicious circle.

At present, the first scenario appears the most likely since Jonathan would probably be able to argue that his BNP government is not to blame for Mokhehle's election boycott. As he has now stated that elections are to be held 'regardless of LLA violence', carrying through with the elections could justifiably regain some of the respectability his government has lost over the last thirteen years. But such an outcome would not do much to reduce significantly the level of dissent within Lesotho or the LLA's insurgency campaign, especially if South Africa decides to continue its destabilization policies towards the small Black African states in the region, including Lesotho. Rather, such an election outcome could indeed fuel an escalation in the mounting tensions within Southern Africa.[13]

[13] On the night of 8 December, helicopter-borne troops of the South African Defence Force attacked scattered ANC residences around Maseru, killing 30 South African refugees and 12 Basotho nationals. The impact of such cross-border raids on election prospects in Lesotho or on the future political posture of the BNP government is unclear. Prior to the raid, there had been reports that the LLA had declared it would sabotage polling booths if elections were not held under international supervision. Even so, there is a persistent, pessimistic view in Maseru that elections will be further delayed to an undetermined time in the future.

New horizons in international trade: towards free trade in services

BRIGID GAVIN

IN current economic policy jargon, industrial economies are becoming 'service economies'. This reflects the fact that service industries form an important and growing part of these economies in terms of their contribution to employment, national income and the balance of payments. On average, more than half of the labour force in industrial economies is employed in services. In the United Kingdom, three out of every five workers have service jobs, and in the United States—the largest service economy—the figure has now reached 70 per cent. The total earnings of the private service sector industries in Britain rose to a record of £17 billion in 1981, and the trade surplus was second only to that of the United States.[1] Trade in services has been growing at a rate of over twice that of goods in recent years; services now account for a quarter of all trade.

Despite the growing significance of services in domestic economies and in international trade, there is no effective international framework of rules and regulations to safeguard today's free flow of services. And there is nothing at all relevant to the new services of data processing and communications, upon which business depends increasingly. Recent evidence shows that protectionism in services is growing. In general, service industries are subject to much more extensive governmental regulation than goods industries. But numerous new barriers to trade in services have grown up, subjecting it to greater restrictions than before. It is hardly surprising, then, that the issue of liberalizing trade in services now occupies an important place in international trade policy debates.

The United States has taken the lead in cultivating greater awareness of the economic importance of trade in services and the Reagan Administration has openly expressed its firm commitment to seek substantial liberalization of trade in services.[2] The United Kingdom supports this objective while other countries of the Organizations for Economic Co-operation and Development (OECD) have shown degrees of interest ranging from cautious optimism to lukewarm support. Among the developing countries the general sentiment is one of rejection. They consider this issue to be not in conformity with their present needs and, in fact, detrimental to their long-term interests; it would

[1] Peter Rees, British Minister of Trade, in a speech at Lloyds in London on 22 September 1982 See *Financial Times*, 23 September.

[2] William Brock, US Trade Representative, in a statement before the Subcommittee on International Finance and Monetary Policy, Washington D.C., 9 November 1981.

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only hamper their efforts to regulate their own internal markets, they say.[3]

The lack of international consensus on the need for opening up services trade shows that appreciation of the economic issues involved is not widespread. This is due in large measure to the economic climate of the 1980s. The multilateral trade negotiations which brought down barriers to trade in goods took place in the 1960s and 1970s, when economic growth was buoyant. The slowing down of world trade in the 1980s has led to an increase in protectionism as a means of preserving jobs and reducing trade deficits. As a result, it is likely that these conditions will lead some governments to adopt a defensive rather than a co-operative stance towards the liberalizing of trade in services. It is also due partly to a fear of the unknown. International trade negotiations until now have not addressed the problem of services, and neither has conventional economic analysis—with some limited exceptions.

The issue of trade in services is also fraught with many political problems. It has become a divisive North–South issue, with Third World countries showing a united front of opposition. Their sensitivity in the matter springs not only from the hardening of Reagan rhetoric towards developing countries, but also from their experience of trade negotiations in the past. Furthermore, certain services touch upon matters of national sovereignty and security. They fear the political consequences of opening up their countries to free trade in services.

The objective of this article is to focus on the economic aspects of services; to study the growth of services in industrial economies and their contribution to the development process, and to explore the possibilities of free trade in services as a means of renewing world economic growth in the 1980s.

Growth of services: 1870–1970

The growth of services in industrial economies is the result of structural or long-term change. The general pattern of such change in OECD countries shows that as per capita income in the economy rises, both the primary and secondary sectors' claims on labour input decline and employment in the tertiary or services sector expands. This changing structure of employment has been verified by statistics over the past hundred years.[4]

In 1870, agriculture occupied almost half of the labour force. Since then, there has been a dramatic drop in the numbers employed in agriculture as labour moved, more or less continually, out of agriculture and first into industry and then into services. This same period was characterized by rising economic prosperity. Total production was rising and so was worker productivity. And while the growth rate of the labour force remained relatively stable, the number of hours worked declined over the period. It is clear, then, that the general trend of modern economic history points to the fact that sectoral shifts

[3] Declaration by the Ministers of the Group of 77 at the General Assembly of the United Nations, New York, 8 October 1982.

[4] This is frequently referred to as 'the three-sector hypothesis of structural change' which was formulated by Colin Clarke in the 1930s. See *Conditions of Economic Progress* (London: Macmillan, 1940).

LONG-TERM CHANGE IN INDUSTRIAL ECONOMIES

Table 1. Structure of Employment 1870–1970

	Agriculture	Industry	Services
1870	48·8	27·5	23·7
1950	24·7	36·6	38·7
1970	10·9	39·0	50·1

Table 2. Summary Comparison of Growth Rates 1870–1970

	Total output	Output per man hour	Labour force	Hours worked
1870–1913	2·6	1·7	1·2	0·8
1913–1950	1·9	1·8	0·8	0·2
1950–1970	4·9	4·4	1·0	0·5

Source: A. Maddison, 'Long-run dynamics of productivity growth', in *Banca Nazionale Del Lavoro Quarterly Review,* March 1979. The figures are the average of 16 countries: US, Australia and countries of Western Europe.

of labour have been a striking and important concomitant of growth. It was the movement of labour out of low productivity jobs and into higher productivity jobs which made this possible.

There is no clear definition of services. The services sector has emerged as a convention of national accounting practices; anything that is not in agriculture or industry proper is thrown into services. This is clear from the heterogeneous nature of the activities known as services. According to the International Standard Industrial Classification (ISIC), service activities can be grouped under the following headings:

— Wholesale and retail trade, hotels and restaurants;
— Transport, storage and communications;
— Financing, insurance, real estate and business services;
— Community, social and personal services.

This article deals solely with private sector services. They are services which are traded both in the domestic market and in international transactions. The group of services under the heading 'Community, social and personal services' covers public services provided by government. These services are not marketed but are provided for the whole of society.

The division between goods and services is not meaningful for the purposes of economic analysis. Can industry operate without banking facilities? Are not the transport and distribution of goods essential for the functioning of the market? It is clear that the division is quite an arbitrary one.

Structural change and the growth of services

The three-sector framework of structural change is more a descriptive than an analytical device. It is, however, useful as a general framework of reference to describe the pattern of resource flows in the course of economic development. But in order to understand the causal economic relations in the course of

structural change, it is necessary to inquire into the underlying forces that make the system tick.

The concept of structural change in current policy debates refers to resources being drawn out of ageing industries and into new industries and new technologies. Transformation takes place not only in the production process but also in the product mix. It is in this sense that one can speak of change taking place in the industrial structure of the economy. The dynamics of structural change can be illustrated by tracing the process of growth through three stages of clearly defined development. This approach helps to explain the evolution of services in industrial economies, but it also shows the role they play in the development process and, thus, why they should be of interest to developing countries.[5]

The underdeveloped economy is predominantly agricultural with most of the labour in rural areas. Such an economy is one of subsistence; production is *low and all that is produced is consumed. The structural characteristic that has* potential here is the abundance of labour in the agricultural sector, and it is the exploitation of this structure that allows the first stage of industrialization. Large quantities of labour can be absorbed into the infant industrial sector. The price of labour will be relatively low because there is a 'labour surplus', i.e. supply greatly exceeds demand. In this manner, the first steps towards industrialization cultivate the production of labour-intensive and low-technology goods.

If the first spurt of growth has been successful, the industrial sector will continue to expand. In the newly industrialized economy, profits are ploughed back into industry through capital investment and the absorption of larger labour amounts continues. At a certain stage, the pool of surplus labour in industry declines as supply and demand come into equilibrium. Labour will now be paid according to its productivity which should be rising. Workers are now able to save. The structural characteristics of the young growing economy is that both private savings and profits are rising. This capital deepening determines growth as it moves the economy along towards the next stage of development: the production of capital-intensive higher-level technology goods. The outflow of labour from agriculture can be compensated for by improved production methods through mechanization. Productivity will increase and so will the total amount of food produced which is now necessary to feed a growing urban population.

The challenge facing the mature industrial economy is the necessity of maintaining itself on the path of sustained growth. Population increase in such economies is close to zero, so among the factors of production it is capital which is in greater supply. This is the decisive structural characteristic to be exploited. The investment of capital now becomes of crucial importance. It goes beyond the mere re-duplication of existing assets; it necessitates investment in

[5] The ideas here are based upon the concept of life-cycle in economic growth taken from J. Fei and G. Ranis in their book, *Development of the Labour Surplus Economy: Theory and Policy* (Homewood, Illinois: Richard D. Irwin for The Economic Growth Center, Yale University, 1964).

research and development and application of new technologies and ideas. It is now the function of technical progress to keep up the rate of profit. The structural characteristics of the mature industrial economy dictate that self-sustained growth should be investment-pulled rather than savings-pushed. Productivity rises as the production of goods becomes more capital-intensive and uses high technology, and so, there is once more an outflow of labour, this time from industry into services.

The knowledge industries of developed countries

As the production process becomes more and more capital-intensive in industrial economies, the division between human and physical capital assumes increasing importance. The fruit of human capital is knowledge, which leads to technical innovation and this is of equal importance (or arguably even more so) with physical capital which is embodied in new machines, vehicles, buildings etc. It is clear, therefore, that knowledge is now a crucial resource, which together with capital accumulation is the driving force behind growth in developed economies. And the production of knowledge may be regarded as an investment in the sense that it will pay off in the future through increased productivity.[6] A new division of labour between the production of goods and the production of knowledge correspondingly results. Knowledge industries include far more than basic research and development; they cover all those involved in the designing, planning, communication and application of knowledge as well.

The growth of services is simply another way of describing the growth of knowledge industries. Services are the channels of knowledge. The physical component of modern business has diminished to become the base of an inverted pyramid of organized knowledge. Most people in business today are working on the challenge of innovation, planning, investment, marketing, legal issues and staff training.

The world is now entering a period of accelerated technical progress. It is moving into new industries based upon new technologies. The foundations of the new industries are the advances made in twentieth-century knowledge: in mathematics, and the social as well as the physical sciences.[7] What we are witnessing is a qualitative change through the convergence of computers and telecommunications. The new industries require new skills among the labour force. These new skills are largely acquired through a course of study rather than experience traditionally gained through apprenticeship. Knowledge or service workers productivity depend on their ability to put to work concepts, ideas, theories. Examples of the new skills are those required by computer pro-

[6] Technical progress is not manna from heaven; it costs something—so it requires investment See M.F.G. Scott's article, 'The contribution of investment to growth', *Scottish Journal of Political Economy*, Vol. 28, No. 3, 1981.

[7] The computer is founded upon symbolic logic and the perception underlying all the new technologies is one of systems—a concept taken from psychology. These are areas outside the traditional area of science.

grammers and systems engineers and that is only a beginning. So services are here to stay and may be expected to go on increasing in the future.[8]

Towards international trade in services

In terms of international trade, the developed countries have a comparative advantage in services as they are relatively well endowed with capital, technology and know-how. The production of services requires an abundance of physical and human capital. They operate in conjunction with high technology capital equipment and require highly educated personnel. And they presuppose the existence of a comprehensive well-functioning economic infrastructure, e.g., a network of modern communications, transport etc. The production of services is clearly the domain of the developed countries and they could now become large exporters of services.

But services are of concern to the developing countries also because of the vital role they play in the growth process. A recent World Bank study argued that a strong relationship exists between services, the development of infrastructure and technology transfer, and this gives services their major importance in development. Many services are in fact infrastructure services, e.g. transport, communication and banking. They provide the essential links between economic agents which permit the interdependent functioning of domestic and world markets. Secondly, services represent direct mechanisms of technology transfer. The services of consultants, of construction and engineering firms, the training of manpower abroad provide the know-how for exploiting modern technology. The report argues further that if the newly industrializing countries (NICs) were to become net importers of services, this would not only be healthy but would also be an encouraging sign that other sectors of their economies which require infrastructure and technology services are being developed.[9]

The main argument brought against free trade in services by the NICs is that they want to develop their own services. In support of this, they point out the need for suitable products and services and for appropriate technology and most important of all—independence. Some aspects of service industries touch upon matters relating to national sovereignty and security. But based upon the successful example of Japan—a strategy currently being pursued by South Korea—experience would suggest a policy of selective import services combined with a concentrated domestic effort aimed at raising the level and quality of infrastructure and technical skill.

So trade in services could produce a scenario of North–South interdependence favourable to renewing global economic growth. The Northern countries need competitive new industries which employ resources now lying idle. This would ease their ability to import more labour-intensive goods from the NICs. In turn, this would greatly ease the burden of debt presently resting

[8] Peter Drucker, *The Age of Discontinuity* (London: Heinemann 1969).
[9] *Trade in Services: Economic Determinants and Development-Related Issues*, World Bank Staff Working Paper, No. 480, August 1981.

on the latter's shoulders and help them move from debt-financed grow trade-financed growth by increased foreign earnings. If the NICs a become better integrated into the world economy, they need to consol the export-led growth they have initiated. This could be achieved by a dua export pattern; they would export labour-intensive goods to the devel countries, and capital-intensive low technology goods to the less devel countries of the South. The industrialization of the least developed cour could be encouraged in this way.[10]

A work programme for the 1980s

The General Agreement on Tariffs and Trade (GATT) which is the l governing world trade provides no framework of obligations to safeguarc free flow of services. The three successive rounds of trade negotiations w took place during the 1960s and 70s were concerned with dismantling bar to trade in goods but left services untouched.[11] Some work has been don the OECD, and a limited number of instruments have been devised. In a tion, studies have been carried out to identify existing barriers to trade in vices and to improve understanding of services trade issues. This work given new impetus in 1981 when the ministerial declaration adopted a res tion which endorsed increased attention to services and established a polit commitment to a multilateral effort to agree rules in service trade.

Within the European Community, some limited progress has b achieved. Under the Treaty of Rome,[12] provisions were made to facilitate in community trade in services. The relevant dispositions were aimed at h monizing member states legislation so as to encourage freedom of act which would be similar to that of a single market. But experience has sho that the difficulties of bringing diverse national legislations into one coher legal framework are often political as well as technical. In banking, example, governments are not willing to give up control of importa monetary policy instruments. Even though the Community is committed the objective of achieving economic and monetary union, the liberalizati of trade in services has been a slow process.

The principal achievements have been in three sectors: shipping, insuran and banking. A considerable degree of intergration has been achieved in shi ping. But this has been largely attributed to the traditional open practice European governments to international shipping, so the situation has evolve more as a *de facto* than a *de jure* one. Several Community directives have bee adopted in the domain of insurance and it is here that the dispositions of th Rome Treaty have been most fully realized. Integration has been achieved i matters of life, car and damage insurance. Harmonization has progressed les

[10] Policies which would facilitate structural transformation globally are the most urgent need the 1980s. That is the conclusion of a recent study for the Royal Institute of International Affair see Louis Turner, Neil McMullen *et al.*, *The Newly Industrializing Countries: Trade an Adjustment* (London: Allen & Unwin for RIIA, 1982).

[11] The Dillion Round 1961–2; The Kennedy Round 1964–7; The Tokyo Round 1973–9.

[12] The relevant clauses of the Treaty of Rome are Articles 52–84.

idly in banking—largely due to political factors. And transport services are yet subject to community control.

is a result of no effective multilateral framework, some countries and some ices have long enjoyed a large measure of effective protection. Major ernmental obstacles range from total monopoly of certain service industries mposed requirements. Government procurement practices frequently :riminate against foreign suppliers; governmental regulations forbid ign firms to establish branches locally or to own subsidiaries; they impose iange and other controls on banks; many new barriers have recently sprung in service activities related to trans-border data flows, e.g. some govern- its require that all data processing be done locally.

ased upon existing evidence, the areas of priority to be tackled are the owing:

i) Access to markets and the right of establishment; the two most common omplaints heard from service industries are the inability to establish hemselves in many foreign markets and the discriminatory treatment ccorded them once they are established in a market.

ii) Trans-border data flows; they are the highest potential service activities nd their importance transcends the service sector; they are assuming in- reasing importance in the conduct of overall business.

iii) Services closely related to goods trade; they are essential to the logistics f international movement of goods and from an economic point of view hould be a relatively easy place to start.

iv) The present drift towards protectionism must be stopped. Some stand- till on the introduction of the new restrictions should be negotiated to halt he introduction of further barriers to trade in services.

The United States proposed the inclusion of trade in services on the GATT inisterial meeting agenda in November of last year.[13] They wanted to start scussions as the first step towards achieving agreement on a detailed work ogramme for future multilateral negotiations. The first stage of this pro- amme would be to document and analyse barriers to international trade in- iding problems of market access and difficulties in doing business in foreign untries once access has been granted. The next step would be to examine the plicability of basic GATT principles and procedures to trade in services. The levant principles here are national treatment and most-favoured-nation ovisions. They call for non-discrimination between trading partners or tween national and foreign concerns. The last stage would review the ap- icability of the Tokyo Round codes on non-tarriff barriers with special atten- n to the code on government procurement which is already due for review in 84. The stated objective of the work programme was to lead to greater areness of the economic rationale for resolving trade issues in services. This

[3] For details of the US proposal, see *US Export Weekly*, Bureau of National Affairs, shington D.C., various editions during October and November 1982; also *Daily Bulletin*, US sion Geneva, 1 November 1982. For the GATT ministerial meeting itself, see Stephen olcock, 'GATT: a loss of momentum', *The World Today*, January 1983.

majority to guarantee Austria's security in times of difficulty. In 1983, the old slogans were wheeled out again along the lines of 'Kreisky or chaos'. The emphasis was on stability, experience and continuity in government and the SPÖ cautioned the electorate against dangerous experiments. The miserable spectre of the jobless in Reagan's America and Thatcher's Britain featured in the party's propaganda to dissuade voters from opting for the Austrian conservatives.

The government's concern for protecting jobs had always been electorally popular and the party's record in office was generally good. The forecasts for 1983 were for an unemployment rate of 4·5 per cent with inflation at 3·5 per cent. Some sectors hardest hit by the recession, such as the steel industry of Styria, were beneficiaries of a special government programme of assistance. The Kreisky era had come to be identified with security, prosperity and an increase in social welfare; yet, most of the dynamic legislation had been passed in the period 1970–5 and the SPÖ's inability to initiate further costly, progressive schemes had become apparent. Forced on the defensive, the party gave the impression of staleness, loss of momentum and lack of imagination.

This was something which new parties such as the right-wing United Greens (VGÖ) and the Left-wing Alternative List (ALÖ), both formed last year, had hoped to exploit. It came as a surprise that neither managed to win a parliamentary seat. Of the two, the Greens had greater hopes but their campaign deteriorated in the latter stages into internal bickering. They received bad press coverage and their leader, Dr Alexander Tollmann, a professor of geology, was accused of taking arbitrary decisions and ruling in an authoritarian style. In addition, rumours of undercover deals with members of other parties discredited the Green campaign. Tollmann's second-in-command, a 55-year-old actor, Herbert Fux, made unfortunate headlines with detailed revelations of his personal sex life, embarrassing Tollmann who had hoped to appeal to respectable bourgeois citizens. On the eve of the election, the United Greens were anything but 'united', being absorbed in resignations and expulsions of their own members. They had been considered an electoral threat to the nationalist liberals, scoring well in regional and local elections in traditional FPÖ strongholds. In October 1982, for instance, Fux had led in Salzburg a Citizens' List which won 17·5 per cent of the vote and just failed to capture the post of deputy-mayor by a mere thousand votes. Both the VGÖ and the FPÖ stress the importance of the individual and the need for freedom from excessive state interference. The Greens must have taken some support from the liberals although the latter, by a quirk in the electoral system, gained an extra parliamentary seat and emerged as a potential coalition partner.

The ALÖ included activists from the peace movement and womens' liberation. It advocated a 35-hour working week and solidarity with foreign workers, the oppressed in the Third World, minority groups including homosexuals and lesbians, and the disabled. The press tended to focus on the sexual liberation aspect of the ALÖ programme, which was of dubious value. The most respected intellectuals of the Left generally supported the Socialist party rather

than the Alternative List. Like the Greens, the Alternatives opposed nuclear arms and had an environmentalist platform, but they disagreed with the VGÖ on the organization of political power. The Alternatives favoured decentralization, inner-party democracy, self-management in factories and the imperative mandate for members of Parliament. They rejected the notion of government by self-professed experts which was identified with Tollmann's Greens. In some provinces such as Styria, the Alternatives are well-organized and have a considerable following among students. In a municipal election in Graz early this year, for instance, they won 7 per cent of the vote. Lack of co-ordination on a federal basis hampered the ALÖ's electoral chances although it will not be too disappointed by its failure to win a seat, regarding parliamentary activity with some scorn and suspicion.

The People's Party was led by Alois Mock, aged 49, who was elected its chairman in 1979 and has the reputation of being a good parliamentarian. He had some advantage over Kreisky whom many regarded as too old for another term as Chancellor. The ÖVP promised to reduce the federal budget deficit by introducing cut-backs on unnecessary items of expenditure, such as subsidies to the railways and nationalized industries, the theatre, the provision of school books, the number of civil servants and huge building projects. Mock appeared to be more convincing in his pledge to safeguard jobs than his predecessor, a banker, Josef Taus. Under the slogan of 'things could be better', the ÖVP offered voters the hope of no further increases in taxation. The Socialists had recently put forward unpopular taxation proposals envisaging a tax on savings and one on vacation and Christmas allowances. This was the first success which the conservatives had enjoyed at the polls since their victory in 1966. Negotiations were opened with the FPÖ to explore the possibilities of a small coalition.

The FPÖ has never participated in government and Dr Norbert Steger, its leader since 1980, seemed to keep his options open in talks with the two big parties. Negotiations with the Socialists appeared the most promising. For Austrians, it was back to the once familiar scene of coalition haggling for the distribution of Cabinet posts. The outcome was the formation of a government with the Socialist Fred Sinowatz as Chancellor and Steger as Vice-Chancellor and Minister of Trade. The FPÖ further secured the Ministries of Justice and Defence and won some concessions on taxation policy.

The dramatic change as a result of this election will cause some unease and perhaps even regret. Kreisky's successor, Fred Sinowatz (aged 54) from Burgenland, is a solid figure in Austrian politics and has the task of holding the party together in the aftermath of defeat. The Socialist Youth organization had wanted the party to go into opposition but this was not considered wise by the leadership. Although an era has come to an end, an element of stability persists in the Austrian party system. The Green/Alternative groups failed to win parliamentary representation and the Communists (KPÖ) remained insignificant. A middle-class Austrian Party, ÖP, could only scrape 0·12 per cent of the vote and a neo-nazi group (Aus), mainly directed against foreign

workers, fared even worse. Voters generally demonstrated their confidence in the traditional parties, with the two main parties winning 90·87 per cent of the vote. Despite the upheaval caused by the Socialist losses, it could be argued that a 'safe' result was returned in a country which in the past has witnessed scenes of violence and political extremism.

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Japan and its giant neighbours

WOLF MENDL

THE post-war relationship between Japan and the two Communist giants on the Asian mainland has been dominated by its security partnership with the United States and its renascent assertiveness. This is not to deny that the conflicting pulls and pressures of domestic interests and the element of response to Chinese and Soviet initiatives have also been important determinants of Japanese policy. However, the key to a general understanding of the course of Japan's relations with China and the Soviet Union is to be found in the two factors which have governed Japan's international behaviour since the end of the Second World War and whose interaction will continue to determine the basic direction of its policy for at least the next decade and probably to the end of the century.

The foundations of the extraordinarily close association between Japan and the United States were laid during the occupation of Japan from 1945 to 1952 and in the series of agreements which ended it. Since then, concern over American reactions has been the single most important factor that has influenced Japan's external policy and, as a price for the American guarantee of its security, Japan's freedom of manœuvre in relations with America's opponents has been strictly circumscribed.

Japan's assertiveness, greatly subdued for a long time after the war though never extinguished, is a more complex phenomenon, frequently and not inappropriately referred to as an 'identity crisis'. For the Japanese this is not a question of who they are but a question of how to relate to others. Should they identify with the 'West' or with Asia—and what is meant by 'Asia'? What

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is the model that should inspire the direction of Japanese policy? Is there one or should Japan itself aspire to become a model—and what kind of model?

Although these questions have been asked since the Meiji Restoration in the middle of the last century, the impact of Japan's hidden and open assertiveness on its external relations since 1945 has been to pull the country to a more independent position, especially in Asia. Until the 1970s, this was manifest primarily in economic policies. With the crumbling of the post-war economic and political system, which had been dominated by the United States, it has also acquired a political dimension.

Post-war relations with China and the Soviet Union

The American connexion and the pull of Asia in Japanese policy interacted in the evolution of Japan's relations with China. Their contradiction became noticeable in the differences with the United States over Japan's attitudes to the two Chinese regimes during the negotiations which preceded the Treaty of San Francisco.[1] In order to ensure ratification by Congress of the peace treaty and a separate security treaty with the United States, the Americans had insisted on an unequivocal commitment of support for the Kuomintang Government of Nationalist China, which had established itself in Taiwan after the Communist victory on the mainland. In the end, Japan followed America's lead, but not all the way, leaving the door open to future adjustments in relations with Peking.

Twenty years later, Japan again followed the United States in establishing relations with the Mainland, not without resentment at having been kept in the dark about American intentions until the last moment, but the Japanese were able to go further than the Americans in the new relationship. The association with the United States and Japan's 'Asianism' converged once more at the time of the signing of the Sino-Japanese Treaty of Peace and Friendship in 1978, which was strongly encouraged by the Carter Administration. However, this time Japan was a step ahead of its American partner, which did not fully normalize relations with Peking until January 1979 and even then did not resolve the contentious Taiwan question.

The aspect of 'Asianism' was less evident in Japan's policy towards the Soviet Union, which was essentially governed by the security relationship with the United States. In its manoeuvring between the two super-powers, Japan was adjusting to the movement of global politics. Thus, American pressures played their part in the hardening of Japan's position during the negotiations with the Russians in 1955–6. The Siberian 'boom' and the expansion of Soviet-Japanese economic co-operation in the late 1960s and early 1970s coincided with the era of détente. The reversion of Okinawa in 1972 resolved the territorial issue with one super-power and had the effect of strengthening Japan's determinination to resolve the issue with the other. In making the return of the Northern Territories the dominant feature in its policy towards

[1] For a detailed analysis of these negotiations, see Wolf Mendl, *Issues in Japan's China Policy* (London: Macmillan for RIIA, 1978), pp. 7–15.

the Soviet Union, Japan has reflected the recent deterioration in East–West relations.

As far as Japanese economic interests are concerned, there has not been much to choose between the attractions of China and the Soviet Union—at least in theory. The prospect of China as a source of raw materials and market for capital goods and technology has been matched by a similar prospect in the Soviet Union. China's potential has to be weighed against the uncertainties of its economic development and political stability; that of the Soviet Union against the uncertainties of its development plans, as between western and eastern Siberia, and its strategic objectives.

The conflict among Japanese economic interests has also had a negative impact on the relations with each of the Communist powers. Those enterprises with the greatest interest in furthering collaboration with Russia have periodically opposed a too rapid development of relations with China, in which they have been joined by politicians hostile to the People's Republic, such as those in the Liberal-Democratic Party (LDP) with strong ties to the Kuomintang. This coalition, for example, tried to restrain the extent of Mr Ohira's offer of credits to China in December 1979. On the other hand, those with strong interests in ties with China have played on feelings of Asian and cultural solidarity and have stressed the Russian 'threat'.

In recent years, and especially since 1978, the pro-China element has prevailed in the tug-of-war. This has meant in practice that the Gaimushō (Ministry of Foreign Affairs), with its sensitivity to American wishes, and MITI, (Ministry of International Trade and Industry), with its more independent and nationally orientated economic strategy, have worked together to foster collaboration with China. The policy has also been reinforced by China's much greater appeal to public sentiment, which has made it the 'most liked' country after the United States, while the Soviet Union has competed with South Korea for the position of 'least liked' country in the opinion polls.

In spite of this, the problem of Japan's position between Asia and the West, which has preoccupied intellectuals and policymakers since the late nineteenth century,[2] has still not been resolved. It is reflected today in the emerging debate between those who favour a more independent course for Japan and those who seek a greater integration with the West. The bias of MITI is towards the former, that of the Gaimushō towards the latter. Even in the Self-Defence Forces one may detect this division as between the army and the navy. The Maritime Self-Defence Force is orientated towards the American containment strategy, concentrating on control over the exits from the Seas of Japan and Okhotsk and on an extension of Japan's maritime defence perimeter. Collaboration with the United States and other naval powers of the Pacific has been further strengthened through participation in the multinational RIM-

[2] See, for example, the collection of scholarly essays that analyse this problem in Marius B. Jansen (ed.), *Changing Japanese Attitudes Toward Modernization* (Princeton, N.J.: Princeton University Press, 1965).

PAC exercises. The Ground Self-Defence Force, on the other hand, has shown some interest in developing contacts with the People's Liberation Army of China, through necessarily at an informal and unofficial level.

Within the region, Japanese and American interests have generally coincided since the end of the war, although there have been specific differences, as over trade with China, the less than whole-hearted support by Japan for the war in Vietnam, and the scope of Japan's security policy. However, the tensions between America and Japan, which have, hitherto, been played down by both sides, are becoming more acute and open, partly because of economic friction but also because of a basic asymmetry in the position of the two states.

Japan is primarily a regional power whereas the United States is a global power. Japan, of course, has global economic interests, but they are heavily concentrated in a few areas, especially South-East Asia, the Pacific and the Middle East. Yet, within the East Asian region, Japan can aspire no longer to the political and military hegemony that it exercised before the war. The United States, the Soviet Union and China are now in a class apart on account of their size, their resources and their military strength, especially as nuclear powers. Japanese policy must, therefore, try to adjust to the course of the triangular relationship among the three giants, hoping to create as much elbow-room for itself in the process as it can, rather than turn the triangle into a quadrilateral.

Japanese policies in transition

We are at present in a transitional stage between Japan's low profile in support of American policies and Japan's assertion of its independence in international politics. That stage began with the movement away from the American position over the Israeli-Arab conflict during the first oil crisis and has been symbolized more recently by the break in the tradition that the first overseas trip of a new Prime Minister should be to Washington. In 1981, Mr Suzuki went first to ASEAN and at the beginning of this year Mr Nakasone went first to South Korea.

The rise of Mr Nakasone in the political firmament may be symptomatic of the changes which are taking place in Japan's orientation. He may have been a political weather-cock for the purpose of reaching the pinnacle of power, but beneath his shifting policy pronouncements, he has consistently struck a strong nationalistic tone. As a young man he was an outspoken patriot and opposed the *Makku Kenpo* (the MacArthur Constitution). He has favoured revision of the Mutual Security Treaty in order to bring American bases in Japan under greater Japanese control. In 1970 he opposed the development of a Japanese nuclear capability on the ground that Japan should benefit from the emerging nuclear stalemate between the three giants in the region, yet he wanted to increase defence spending.[3]

In 1971, he stressed the importance of relations with China for Japan's

[3] *Washington Post*, 6 March 1970.

'existence' but also insisted that in their dealings with China, the Japanese 'must not harbour the feeling of subordinating ourselves to a big power. Especially, mental surbordination is not good.'[4] Seven years later, he took a very strong stance over the mysterious incident in which armed Chinese fishing vessels appeared off the Senkaku Islands during the negotiations over the Sino-Japanese Treaty.

Mr Nakasone's outspokenness in the first months of his premiership may turn out to be only a façade, calculated to appeal to his supporters and to impress the Americans, which hides the hesitancy and vacillation that have been the hall-mark of most Japanese Prime Ministers since the war. His acceptance of the Chinese definition of the Sino-Japanese war as a 'war of aggression' might indicate a more pliant attitude than the tone of previous utterances led one to expect or it may be one of several signals[5] that his government intends to give a new impulse to the relationship with China.

The formation of the Nakasone Cabinet with its strong right-wing slant, continuing a movement which was already noticeable in the Suzuki Cabinet, also reflects the generational change that is under way. The new leaders can be expected to assert Japan's interests more vigorously and with less sense of obligation to other states. Moreover, their policies towards China and the Soviet Union are going to be conducted in an international environment with three distinguishing features: the emergence of a strategic balance between the super-powers in Asia and the Western Pacific; uncertainty about the extent of American commitment to the region; and the possibility of improved relations between the Soviet Union and China.

The establishment of a strategic balance between the super-powers has been noticeable ever since the end of the war in Vietnam. The build-up of Soviet naval power, the development of a Russian ICBM capability in the Sea of Okhotsk and off Kamchatka, able to threaten the western part of the United States, and the introduction of the SS-20 and the Backfire bomber in East Asia, are likely to lead to a nuclear debate similar to the one presently raging in Europe.

Such a development would be related to the growing uncertainty about the involvement of the United States in the affairs of the region. American withdrawal symptoms began with the removal of forces from Vietnam in 1973, continued with Carter's proposed troop reductions in Korea and the despatch of a carrier task force from the Seventh Fleet to the Indian Ocean during the 1979/80 crisis, and is manifest in the strong pressure on Japan to extend its defence perimeter.

The third feature is the possibility of a substantial improvement in Sino-Soviet relations. It is most unlikely that there will be a return to the days of Sino-Soviet friendship in the early 1950s, but both powers have important reasons for wanting to see an improvement in their mutual relationship. China

[4] Interview with *Sankei Shimbun*, 27 November 1971.

[5] Mr Susumu Nikaido's visit to Peking in February 1983 is perhaps a more significant pointer in this direction.

needs security on its frontiers in order to carry out its programme of economic and social development. The armed forces have a low priority in the plans for modernization and for a long time to come China will lack the trained personnel, the logistical infrastructure and the equipment to match the forces of the Soviet Union.

While China's motives are mainly domestic, the motives of the Soviet Union are essentially strategic. From the point of view of its neighbours, the concentration of Soviet military strength in East Asia is alarming. From the Russian point of view, however, it is a necessary and expensive precaution against the nightmare of a two-front conflict in which the extremely long and partially exposed lines of communication to the Maritime Provinces are particularly vulnerable. Since the focus of Russian attention is still principally on Europe and the Middle East, a tranquil China in the rear would be a great asset. Apart from securing Russia's eastern flank, the improvement of Soviet-Chinese relations would undermine China's relations with the United States and possibly frighten Japan sufficiently to keep it from aligning itself too closely with American strategic objectives.

All this having been said, there remain major obstacles in the way of more relaxed and friendly relations between the Communist powers. Military deployments along their borders and in Mongolia, the problem of recognition—let alone renegotiation—of the 'unequal' treaties, the minorities that straddle the frontiers of the two states, the Vietnamese domination of Kampuchea, and the Soviet presence in Afghanistan, add up to a long agenda of contentious issues to impede the smooth progress of negotiations.

It is against the background of these general features of the international environment that we have to assess the direction of Japan's relations with China and the Soviet Union. Three elements are present in the relationship with both countries: the economic interest, a territorial issue and a general politico-strategic interest.

The economic interest

Economic relations with China have been marked by a succession of disappointed expectations.[6] The idea behind the long-term trade agreements at the end of the last decade was that China would pay for the import of plant and technology with the export of oil and coal. This has been largely stultified by the change in China's priorities from heavy to light industry and agriculture and by its failure to meet the export targets of oil and coal. The total value of the trade between the two countries fell by nearly 15 per cent in 1982, though it is expected to improve again this year.

Such setbacks have not, however, diminished Japanese interest and the government has made available substantial funds for investment in the infrastructure necessary for the development of China's natural resources, while numerous joint ventures have been launched by Chinese and Japanese

[6] See Wolf Mendl, 'Japan and China: the economic nexus', in Nobutoshi Akao (ed.), *Japan's Economic Security: Resources in Japan's Foreign Policy* (London: Gower for RIIA, forthcoming).

commercial and industrial enterprises. Behind these activities, which are encouraged by MITI, there lies a long-term objective to assist China in the development of its resources and markets, although there remain serious differences between the two countries over the objectives of their collaboration. The Chinese, for instance, want Japan to buy goods made with Japanese technology in order to cover investment costs. The Japanese, on the other hand, are primarily interested in selling equipment and technology.

Japan is anxious to take advantage of its favourable position as China's neighbour and to consolidate its stake in the Chinese economy, not only to ensure for itself sources of fuel and other raw materials and to take a large share in the expanding Chinese market, but also to counter competition from other Western countries and the Soviet Union. Indeed, one of the objectives is to discourage China from turning to Russia for assistance in its development programmes.

In the past few years, Japan has been economically less interested in the Soviet Union.[7] The Russian priority in developing the resources of western Siberia has reduced considerably the prospect of the supply of oil and other natural resources to Japan. A switch to a massive development programme in the region nearer Japan during the twelfth Five-Year Plan (1986–90) might revive the interest. There are, of course, important sections of Japanese industry, especially the steel sector, which are keen to see an expansion of business with Russia. They oppose the government's apparent surbordination of economic interest to political and strategic considerations.

In its dealings with the Soviet Union, Japan has consistently indicated that it gives priority to good relations with China and the United States and that it is not prepared to risk their good will for economic advantage. It abandoned ideas of co-operation in the construction of the second Siberian railway when the Chinese made known their apprehensions over its strategic impact. Though reluctant at first, Japan imposed sanctions against the Soviet Union in the wake of the invasion of Afghanistan and was chagrined to discover that the French and Germans were less conscientious in applying them. On the other hand, the Japanese were not intimidated by Soviet threats and signed the Peace and Friendship Treaty with China. Nor have the Russians been able to dissuade Japan from developing close and ever more substantial defence co-operation with the United States.

Territorial issues

The territorial issue between China and Japan, which concerns competing claims over the Senkaku (Tiao Yu) Islands and rights to exploit the resources of the Yellow and East China Seas, is dormant and will remain so for as long as the Chinese want it that way.[8] The Senkakus are under Japanese control, in so far as anyone controls a few uninhabited rocks, and it is up to the Chinese to take

[7] See Kazuyuki Kinbara, 'The economic dimension of Soviet policy', in Gerald Segal (ed.), *Soviet Foreign Policy in East Asia* (London: Heinemann for RIIA, forthcoming).

[8] For details of this dispute, see Mendl, *Issues in Japan's China Policy*, *op. cit.*, pp. 88–92.

the initiative. Clearly, there is little incentive to do so at present or to challenge more than verbally Japanese activities with the South Koreans on the continental shelf. The advantage of good relations with Japan outweighs the importance of the disputes in Chinese calculations. They may, however, push their claims to the forefront at any time, as they have done occasionally in the past, in order to put pressure on Japan or justify a deterioration in the mutual relationship.

The reverse is true of the territorial dispute with the Soviet Union, in which Japan is the claimant.[9] It has now reached the stage of a complete *impasse* and there seems no prospect whatsoever of its resolution, short of a major shift in either the Japanese or the Soviet position and a dramatic improvement in the international climate. Japanese insistence on the return of the Northern Territories also serves the purpose of demonstrating toughness towards Russia as a credential for membership of the Western camp and is useful in rallying domestic opinion in support of greater defence efforts.

The politico-strategic interest

Japan's principal concern is to prevent the re-emergence of a Sino-Soviet bloc which would threaten its security. Hence, the frequent reminders to the Americans of the dangers in the Taiwan issue and, in another context, Japan's interest in a Korean settlement which would involve the cross-recognition of the two Korean states by China and Japan as its first stage.

Until the end of the century, at least, China poses a lesser military threat in the region than the Soviet Union. All the same, Japanese policymakers keep a wary eye on China's development and will be anxious to prevent it from establishing a regional preponderance, especially in South-East Asia. In addition, they are likely to have at the back of their minds, particularly those with long memories, the danger of close relations between the United States and China at the expense of Japanese interests. This may be a remote prospect, but it certainly played a part in the annoyance caused by the sudden announcement in July 1971 of Nixon's forthcoming visit to China. Japan would not want to be displaced as America's most important friend in the region.

However, Japan's immediate interest is to contain Soviet power and influence, whether through the bottling up of its naval forces in the Seas of Okhotsk and Japan, an operation requiring co-operation with the United States and South Korea, or through weaning Vietnam away from dependence on the Soviet Union. For as long as Japan perceives the Soviet Union as posing the greatest potential threat to its security, it will seek to retain an American presence in the region.

That presence serves another purpose. It provides a balancing factor which will prevent either of the Communist powers from establishing its hegemony over the smaller states of East Asia. Japan's own interest in these countries is both economic and strategic. South-East Asia has attracted the largest propor-

[9] See the appendix to my chapter on 'Soviet-Japanese relations: the political and strategic dimension', in Segal, *Soviet Foreign Policy in East Asia, op. cit.*

tion of Japanese overseas investment and Japan is the most important trading partner of the Association of South-East Asian Nations (ASEAN).[10] Korea is the country of greatest strategic importance for Japan's territorial security, though the sea lanes of South-East Asia are of major importance to its economic security.

Constraints and opportunities

Just as Japan seeks to manipulate the triangular relationship of the three giants in its interest, so the smaller states have an interest in using Japan for their own ends. For ASEAN, Japan could play an important part as a counterweight to Chinese and Soviet influence in the region, while South Korea sees in Japan a source of economic support. Nevertheless, both ASEAN and Korea are anxious to see the United States remain active in the region as guarantor of Japan's good behaviour. This concern found expression in recent Indonesian and Filipino worries about the planned extension of Japan's maritime operations. It should be added that both China and the Soviet Union, in spite of rhetoric to the contrary, also regard a continued American presence as a welcome restraint on an assertive and more self-confident Japan.

Throughout East Asia, there is a basic ambivalence in attitudes towards Japan. Vietnam might turn to it to ease its economic dependence on the Soviet Union, and ASEAN might look to it to counter Chinese and Soviet pressures, but both view with suspicion the developing relationship between China and Japan. Such a combination could become overwhelming. As a result of pressures from ASEAN, Japan has undertaken not to give more aid to China than to ASEAN. North Korea walks the tightrope between its Communist neighbours, while South Korea derives its security against the North from American and Japanese involvement in its affairs. None the less, both Korean states must be apprehensive at any prospect of Sino-Japanese domination of their peninsula and would thus seek to utilize Soviet and American interests to prevent such a development.

Certain things are becoming clearer as Japan emerges as a more independent actor in the region. Its room for manoeuvre remains limited. If it chooses identification with the West, it must ensure a continued American interest and presence in East Asia, but this is bound to have a restraining effect on its diplomatic freedom. It will obviously try to prevent a return to the Sino-Soviet alliance, but it must also make sure that the United States and China do not draw closer together at its expense. Hence, Japan's long-term interest lies in co-operation with China—an interest powerfully reinforced by the 'Asianist' tendency in Japanese nationalism. However, that tendency also encourages the Japanese to try and stake out a position of leadership among the smaller states of South-East Asia, which a closer relationship with China may contradict. Furthermore, Japan's inability and, one should hope, unwillingness to compete with the three giants in the military-strategic field, dictate caution

[10] See Radha Sinha, 'Japan and ASEAN: a special relationship?', *The World Today*, December 1982.

in its association with China, so as not to become subordinate to it or entangled in any of China's conflicts on the Asian mainland.

The exposed position of Japan makes a policy of isolation dangerous, much as it might reflect a strong inclination among the Japanese. It requires association with a major power to safeguard its security and, within the foreseeable future, that power can only be the United States. Such a policy is in line with the pro-Western orientation of Japan, which has been the dominant feature of its foreign policy since the war.

At the same time, changes in the international environment have impressed upon Japan the need to assume a more independent position in world affairs, which would be commensurate with its economic importance and the wish to be regarded as a state of some consequence. Japan wants to build up its strength so that it shall not be 'pushed around' any more. Such aspirations find expression in the emphasis on Japan's 'Asianism'. But here, too, Japan is faced with formidable constraints. Uncertainties about China, the potential rivalry with it for influence over the smaller states of the region, and the necessity of avoiding open hostilities with the Soviet Union, all make for caution in any departure from the lines of policy established since the war. A continuation of the frigid atmosphere between the super-powers inhibits Japan's freedom of manoeuvre; a relaxation of tensions would present opportunities to strike out on its own.

The West German Left in opposition

LAWRENCE L. WHETTEN

THE March 1983 national election in the Federal Republic resulted in the most thorough realignment of political forces since the decisive 1953 and 1957 elections, which were fought over West German rearmament, the consequences of entry into Nato and the Common Market, and the course of economic reconstruction. In the most recent contest, the conservative parties—the Christian Democratic Union (CDU) and the Bavarian Christian Social Union (CSU)—captured 1·6 million votes from the Social Democratic Party (SPD), whose thirteen years in coalition with the liberal Free Democratic Party (FDP) and sixteen years in government had come to an end in September 1982 with the defection of the FDP into opposition.[1]

The March results were a convincing victory for the Christian Democrats and their Bavarian partners: the conservative alliance gained 244 seats in the 498-member chamber; with the 34 Free Democrat representatives, the coalition has the most comfortable voting margin of any government since 1961.[2]

This decisive coalition majority is reinforced by the fact that the FDP is so emasculated by charges of top-level corruption and perfidy for deserting the SPD that it is unlikely to abandon the conservatives in the short term. Moreover, the retirement of several key SPD figures, (such as the party's leader in the Bundestag, Herbert Wehner) will leave a serious leadership vacuum at the national level. This is primarily because the two former Socialist Chancellors, Willy Brandt and Helmut Schmidt, have been such dominating personalities that the party has experienced insufficient upward mobility or political growth at the middle levels. Thus, without serious prospects for re-entering the government in the next four, eight or possibly twelve years, the Socialists are seriously demoralized and apprehensive about how to play the role of a loyal Opposition during a period of prolonged national crisis. The exercise of power papered over the gaping schisms that plagued the SPD from the mid-1940s until the late 1950s; they are now re-emerging and could have far-reaching implications for the entire German Left.

SPD's campaign errors

First, the change in the SPD party leadership last autumn was too abrupt and poorly explained to the public. Helmut Schmidt is still the most popular politician in West Germany, but he maintained a low profile during

[1] See Jane Hall, 'Exit Herr Schmidt', *The World Today*, November 1982.

[2] The complete voting results in the 248 election districts in the Federal Republic are published in 'Documentation', *Süddeutsche Zeitung*, 8 March 1983, pp. 35–9. See also Caroline Bray, 'The West German election', *The World Today*, April 1983.

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the campaign and the subsequent internal party battles. The public was disgruntled over unemployment but accepted Schmidt for his economic competence. His successor, Hans-Jochen Vogel, avoided most domestic issues giving the impression that he and the SPD had an inadequate grasp of the country's economic difficulties. Whatever the reasons for Schmidt's limited engagement in the campaign (Brandt claimed it was ill-health, but others insist it was Vogel's terms for leading the campaign), Vogel was clearly in charge.[3] But he lacked the charisma to match either Schmidt's national stature or Helmut Kohl's taciturn self-assurance projected in his slogans 'Vote for the Upswing' and 'This Chancellor Creates Confidence'.

Second, the Socialists' vicious attacks against the Free Democrats proved counter-productive, providing the basis to re-establish the semblance of FDP unity after the threat of the creation of a splinter Liberal Party. Both the five-month interval and the SPD abuse gave pause for public reflection about the role of a third party and the dangers of a two-party system in a highly politicized society. A large uncommitted portion of the voters eventually gave the FDP sufficient votes to remain in the Bundestag. As party Vice-Chairman Gerhart Baum candidly observed: 'This time the people have not voted for our programme, but for our function.'[4] On the one hand, it was a positive vote in favour of a central liberal party. On the other, it was a negative vote against both left and right extremes: the Strausses, Bahrs and Greens. Thus the centre party, the FDP, was again returned to power despite the fact that it has never polled more than 13 per cent and that this time its 7 per cent was made largely at the SPD's expense.

Third, Vogel chose largely to ignore economic issues—as if the recession and unemployment were the stigma of his predecessor that should best be avoided. Yet despite over 10 per cent of the workforce unemployed, there were positive factors to which the SPD could point: (i) the modest trade balance of 8 billion DM in 1982 was expected to reach 15 billion DM by the end of 1983: (ii) the automobile industry registered an 8·4 per cent increase between 1980–2; full production appeared possible, and for the first time car exports worth 725 billion topped engineering as the leading export industry; (iii) growth in exports in general had increased by two per cent between 1981 and 1982, helped by a 17·2 per cent rise in exports to the Middle East, while imports had stagnated; (iv) direct investments abroad in 1981 (the last year for which statistics are available) were a record 9·8 billion DM—total post-war overseas investments are estimated at 90 billion DM; and (v) the Mark remained Europe's strongest currency.[5] (Yet professional economic institutions, such as the *Institut für Wirtschaftsforschung* (IFD) have made

[3] See Brandt's interview, *Der Spiegel*, No. 11/1983, pp. 24–7. For a comparison of the predicted trends by the three leading public opinion survey institutes, Allensbach, Emnid and Infas, see *ibid.*, p. 45.

[4] *Stern Magazine*, 10 March 1983, p. 33.

[5] See the two Supplements on West Germany in the *International Herald Tribune*, 12 and 13 April 1983.

gloomy forecasts, and Helmut Schmidt has described 1983 as the beginning of the century's second world depression.) But worse for the SPD, it presented no plan for the recovery of the steel industry (some mills have cut employees to 22 hours per week); no schemes were advanced to modernize the high technology industries and make them again competitive; and, most disastrous, only a modest government programme to reduce unemployment was promoted. In general, the SPD unconvincingly blamed the economic situation—the most important election issue—on the international recession. As a result, they lost in their traditional strongholds, many of the large cities and the industrial *Ruhrgebiet,* where unemployment reached 13·5 per cent (In Nordrhein–Westfalen the SPD dropped from 46·8 per cent in 1980 to 42·8 per cent in 1983, while the CDU rose dramatically from 40·6 per cent to 45·2 per cent.[6])

Fourth, under Brandt's enterprising leadership, the Party adopted a strategy of blunting the appeal of *die Grünen* (the environmentalist party of the Greens) to its own left wing and ultimately to co-opt the Greens into the SPD itself. This strategy follows the precedent of one of Brandt's greatest political successes. In the late 1960s and early 1970s he was able to attract the radical extra-parliamentary SDS (*Sozialistischer Deutscher Studentenbund*). The decision to take the Greens seriously emerged from the September 1982 elections in Hesse, where the CDU won 45·6 per cent, the SPD dropped to 42·8, the FDP to 3·1, but the Greens rose to 8 per cent. The SPD chose to form a minority government, which meant a degree of collaboration with the Greens on central issues.

Finally, in line with its policy of co-option in 1983, the SPD reversed the government nuclear programme, which under Schmidt was to provide 14 per cent of the nation's energy from nuclear power by 1990. Instead, it campaigned on a platform to reduce rapidly nuclear dependency, not on principle but on the ground of inadequacy of waste disposal. Such a weak compromise, however, alienated many SPD supporters and strengthened the position of the Greens which was based on a much broader spectrum of social complaints.

SPD's uncertain stance on missiles

As part of its strategy towards *die Grünen,* the SPD selected the foreign policy issue of Pershing-2 deployment in West Germany as the centrepiece of its platform. The missiles became far more important politically than Pershing-2's military performance warranted and resulted in a three-way split of the SPD into the right wing under Schmidt, the left faction of Brandt and Egon Bahr, and the defectors to the Greens. The missile discussion elevated Egon Bahr, the Party's expert on arms control, to the level of Vogel's most vocal senior adviser and alarmed Bonn's allies. Following Yuri Andropov's inauguration of the Soviet Union's major peace offensive in December 1982, Vogel was granted royal treatment when he visited Moscow at the beginning of

[6] 'Documentation', *loc. cit.*, p. 38.

the year, in contrast to his and Egon Bahr's cool reception in Washington shortly afterwards. In a further attempt to influence Western defence policy, and especially the FRG's political process, Andrei Gromyko stated in Bonn on 17 January 1983 that the Soviet Union was also prepared to negotiate a reduction of the short-range SS-21, 22 and 23 missiles against the US Pershing-1A and Lance missiles. The Soviet campaign was now in full swing, and Vogel used an SPD rally on 21 January in Dortmund to 'demand' that the US abandon its absolutist zero option position and make a 'constructive counterproposal'. The White House was stung by repeated SPD charges that the Russians had made major concessions and that the United States was intransigent, especially after Vogel and Bahr had been fully briefed on the American position while in Washington. The US was also aware that the Kremlin had gained a virtual monopoly over the international peace initiative. Accordingly, Washington broke its pledge of confidentiality and revealed the contents of its initial compromise proposal at the intermediate nuclear forces (INF) talks in Geneva. The Nitze-Kvitsensky July proposal called for a reduction to 75 launchers each.[7] Both governments rejected the plan, but it revealed that the US was not inflexible.

The US Vice-President, George Bush, was then sent on an extensive European tour explaining that the United States had not adopted a take-it-or-leave-it position, but that the zero option remained a moral stance to be ultimately sought. In an open letter, President Reagan presented four principles that should guide negotiations for an interim settlement: (i) insuring equality of rights and limitations between the United States and the Soviet Union; (ii) omitting entirely the French and British strategic nuclear forces, since they had already been counted in SALT I and II; (iii) preventing the Soviets from shifting SS-20s from European to Asian targets; and (iv) providing adequate means for verification. But Vogel hardened his stand and called in a letter to Reagan for a new American initiative.

Public statements by various SPD officials revealed a high degree of ambiguity. In an interview, Helmut Schmidt cautiously dissociated himself from the image of the originator of the 'dual-track' decision (to negotiate for arms control and simultaneously to modernize theatre nuclear forces), despite his 1977 speech before the international Institute for Strategic Studies[8] and his formal 13 November 1979 statement before the SPD Bundestag caucus. Party unity was now more important than weapon modernization. On the other extreme, Karsten Voigt, an SPD security expert, rejected the deployments of Pershing-2 missiles and called for a unilateral reduction of US theatre nuclear weapons. Vogel's senior adviser on security, Carl-Friedrich von

[7] The proposal also included a limit on both sides of 150 medium-range nuclear-capable aircraft; *International Herald Tribune*, 22 June 1982. The aircraft dimension in Andropov's December proposal was subsequently considered by Lothar Ruehl, Under-Secretary of West Germany's Defence Ministry, as the only 'positive aspect' of the Soviet plan; *Frankfurter Allgemeine Zeitung*, 14 January 1983.

[8] *Frankfurter Allgemeine Zeitung*, 2 February 1983.

Weizsäcker, advocated preserving deterrence by deploying future missiles only at sea. Erhard Eppler, a member of the SPD Executive Committee, claimed that no 'reasonable' agreement on INF could be expected while the US Secretary of Defense, Caspar Weinberger, remained in office and that at the SPD's special Party Congress this autumn the Pershing missiles would be rejected.[9] Egon Bahr was the most vociferous opponent of the missiles. He asserted that striving for military superiority was an intrinsic feature of US policy and extemely perilous. Whoever wanted to prove his superiority had to gamble with war; thus, for the time being, the US was more dangerous than the Soviet Union.[10] Furthermore, he asserted, any interim agreement would mean deployment. Discussion of an interim accord amounted to an attempt to make people become used to missiles in small amounts. The public was expected to prepare for long negotiations. If no agreement was reached between December 1983 and March 1984, there was little chance of ratification before the Presidential campaign, which would mean no accord for another two years. Finally, he insisted that Nato stability was more important than weapons modernization. Despite the fact that this stability is threatened by only a minority of peace demonstrators, as the CDU maintains, Bahr claims that the deployment would jeopardize the domestic tranquillity of the countries concerned.[11]

Vogel himself advocated reaching a settlement with the Soviet Union that would make the deployments unnecessary. However, other actions led to questions about his even-handedness. The Party's slogan, 'In German interests', became interpreted as German 'uncertainties' about the Party's position on pacifism, neutralism, alliance cohesion and German nationalism. Many commentators observed that Vogel was attempting to secure an equidistant position, *à la* de Gaulle, which was feared equally in Washington and Paris. France demonstrated its strong support for the US position on the missiles and alliance unity in President Mitterrand's major address before the Bundestag.[12] Nato's Secretary-General, Joseph Luns, was sufficiently alarmed about the drift towards pacifism in West Germany to conclude that if the Pershing-2 missiles were not deployed because of SPD opposition, the United States was likely to decide that the Europeans were not prepared to defend themselves and reduce its commitments to the alliance. The result could be a different form of alliance based on bilateral accords.[13]

The SPD's confusing and contradictory statements prompted some observers to conclude that from the allies' perspective about the German 'uncertainties', the election would be a referendum on German solidarity with

[9] There are a number of town councils controlled by the SPD and *die Grünen* which have demonstrated their opposition to nuclear weapons by declaring themselves 'nuclear-free zones'—a status which has no legal authority besides its moral intent.

[10] *Frankfurter Allgemeine Zeitung*, 17 January 1983.

[11] See his column in the SPD weekly, *Vorwärts*, throughout the campaign.

[12] *International Herald Tribune*, 21 January 1983; see also Dominique Moisi's analysis, *ibid.*, 4 March 1983.

[13] *Die Welt*, 19 January 1983.

the alliance, which may have influenced moderate SPD voters to shift to the right.[14]

Die Grünen

Extra-parliamentary organizations and citizens' initiatives (*Bürgerinitiativen)* have become commonplace phenomena in the local German political process since the late 1960s. But the Greens' entry into Federal politics is an entirely new factor. The ecological movement claims to be the most effective opposition force in post-war Germany by spreading 'green' consciousness and mobilizing support for decentralized, loosely co-ordinated regional initiatives. The Greens have drawn between 4 and 10 per cent of the votes and now participate in seven of the eleven provincial legislatures. The decision to seek representation in Bonn on a formula of 'participation without responsibility', both in and out of government, which would guard them from careerism, bureaucracy and compromise, required abandonment of single-issue politics and adoption of a full-scale Federal platform, Under pressure from extra-parliamentary forces, the 1969 SPD–FDP coalition promised more democracy in the realm of civil rights and political participation and greater social justice through social reform and Keynesian interventionism. In foreign policy, détente was intended to ease East–West German tensions and eradicate the vestiges of the Cold War. These summary goals remained unfulfilled for a variety of groups with individual interests: environmentalists, feminists, anti-nuclear energy protestors, peace movement advocates, squatters, anti-materialists and other more localized rejectionist groups. With strong overtones of German romanticism, the common denominators for this amalgam that give it a viable political potential are the rejection of an expansionist consumer economy, the assurance of life and survival, and the denunciation of the established parties which, through inattention or complicity, have allowed threats to the environment and to peace to become critical.

There is a general conclusion among many Germans that *die Grünen* represent a healthy cathartic process for the political system. Yet the traditional organizations of the German Left—the SPD, the German Communist Party (KPD) and the trade unions—were neither ready nor able to integrate such a heterogeneous movement with potential for unruly protest. (While this does not exclude possible co-option by the SPD or attempted penetration by the Communist Party, it militates against collaboration with trade unionists seeking economic expansion and full employment.) This rejection has been facilitated by persisting substantive splits within the party. In the North, greater emphasis is placed on social and economic demands; ecological problems are the priority of the South-West; while in Bavaria the party remains outside the *Landtag*. Thus *die Grünen* are the illegitimate children of a disillusioned leftist movement which has gained representation without massive demonstrations, financial contributions from industry, moral support

[14] *Frankfurter Allgemeine Zeitung*, 1 March 1983; *Süddeutsche Zeitung*, 28 February 1983. To reduce the confusion, the SPD issued a formal study after the elections entitled 'Security Partnership of the Two Alliances', which emphasized the preference for increasing conventional arms.

from unions, political acceptance by other parties or endorsement by generally sceptical to hostile media. None the less, when viewed as a genuine *Bürgerinitiative*, the party attracted voters from all the major parties, including the Right.

Yet posing as both the extra-parliamentary opposition, the sand in the political machinery, and a responsible part of that mechanism, as well as the anti-orthodox and anti-theoretical party, raises serious problems. In the first 100 days, the party was confronted with such major tasks as identifying voting constituencies and their interests, establishing the machinery for linkage with those constituencies and the transmission of their demands (requiring parliamentary responsibility without compromise of its image), and creating post-electoral party cohesion. Thus the 'in-but-out' dilemma generated such intense debates about inner-party élitism that the party's idealism appeared as naïveté. Their first serious attempt to organize nation-wide demonstrations at Easter and May Day fell below expected numbers and were dominated by key SPD speakers. This led to the conclusion that the SPD in opposition—with which the Greens had often co-operated successfully on the regional basis—could afford to be even more radical.

Besides organizational and conceptual problems, the first substantive issue the party must face, by its own choice, is the Pershing missiles. The party's dilemma is whether to collaborate with the SPD, and thereby essentially accept subordination to the better endowed senior party, or to attempt to seize the initiative and embarrass the SPD by more radical demonstrations and actions. Such a choice could compromise the parliamentary respectability for which ecologists, feminists and others voted.[15]

The parliamentary future for *die Grünen* is questionable. At the time of writing, continued factionalism seems probable. While the extra-parliamentarians are likely to demand more vigorous action on the streets over local or national issues, the moderates might emphasize acting through parliamentary committees and the seats they occupy, added to closer de facto co-operation with the SPD. Among the many internal problems, there are several external variables that will affect the outcomes: first, the perceived eventual results of the INF negotiations and the probability of limited deployment of Pershing-2 missiles; second, the extent to which any faction relies on the KPD, even for logistical support; third, the degree to which the Greens can capitalize on the centre-right anti-missile sentiment (60 per cent of the Germans are against Pershing missiles, the proportion of Kohl's constituency is unclear); and fourth, the extent to which unemployed youth marching in demonstrations is seen as compromising the party's anti-expansionist economic tenets.

In fact, *die Grünen* have deliberately avoided the development of a concep-

[15] To pre-empt the SPD's appeal to its voters and legitimize their ambiguous posture over participation in the parliamentary process, *die Grünen* convened in February an international 'Nuremberg Tribunal' against first-strike nuclear weapons, i.e. Pershing-2; this was the basis of their election platform. See *Der Spiegel*, No. 11/1983, pp. 29–34; and *Frankfurter Rundschau*, 22 February 1983.

tual basis for their envisaged 'ecological and social economy'. From the political and theoretical turmoil experienced by the Social Democrats, *die Grünen* may ultimately conclude that no 'Green Revolution' is probable without a more comprehensive ideological basis.

Conclusions

In the near term, *die Grünen* cannot function as credible supporters of the SPD's national and international posture. Thus, the Left in Germany is likely to remain split, but with both the Greens and the SPD poaching voters from each other. More critical, the SPD has manoeuvred itself into both national and international isolation. The Social Democrats ignored the US proposal for reducing INF missiles to the lowest possible level and over-played their attitude of equidistance between the two super-powers. This was accompanied by a series of side issues, such as pacificism, neutrality and nationalism, which both alarmed their allies and alienated the moderate elements of the German electorate, other Socialist parties—especially the French—and even important segments of the West European Communist parties.

On the importance of *Ostpolitik* and the priority of détente for German national interests, both parties are generally agreed. But *Ostpolitik* was the SPD's main preserve in the East–West dialogue. Kohl's April visit to Washington, where he won Reagan's approval for exploring the prospects of an early visit to Moscow to test the feasibility of a summit conference on INF, further undermined the SPD's policies and former function as an East–West interlocutor. In view of its precipitous loss of morale and political stature, Brandt reportedly told a recent internal party caucus that he saw no alternative to a confrontation with Washington. This is expected to materialize at the special SPD party congress, where the key to Brandt's analysis will be the growing vitality of the various national peace movements. Indeed, the SPD's influence in both national and international politics has dropped to the lowest level in two decades. Its laborious and painful rehabilitation into national politics after shedding its Marxism at the 1959 Bad Godesburg Congress, as well as its acceptance by the Soviet Union, have been set back. Challenged on their left and overtaken on their right, the Social Democrats must now face fundamental policy and ideological questions about their opposition role in German politics.

Demographic trends in the Soviet Union

BETSY GIDWITZ

THREE detailed censuses of the Soviet population have been completed in the post-war period. Following the first two, in 1959 and 1970, the USSR published substantial quantities of detailed demographic statistics. The third census, in 1979, has yielded one brochure, a number of summaries in statistical and other specialized publications, and several articles in the popular media. No comprehensive collection of data has yet appeared. Further, formerly published statistics on such crucial population indicators as infant mortality, life expectancy, and death rates by age and sex have not been printed in Soviet specialized or popular media since the early to middle 1970s.

These omissions have not gone unnoticed by Western observers of Soviet demographic developments. Their conclusions, supported by commentary in the Soviet press on related issues (e.g., labour supply, industrial planning, and health care) and by Soviet enactment of pro-natalist legislation in 1981, point to adverse demographic trends with serious implications for the Soviet economy, defence forces, internal ethnic relations, and foreign policy.[1] It is quite likely that embarrassment about present conditions and concern over the future strength of the USSR have motivated Soviet authorities to withhold critical demographic data from public scrutiny.

Key Soviet demographic trends are the following:

— The total population of the Soviet Union is growing much less rapidly than anticipated and may be in a state of stagnation or even decline by the end of the century.

— In terms of ethnic distribution, the native populations of Soviet Central Asia (Turkmens, Uzbeks, Tadzhiks, Kirghiz, and Kazakhs) and Azerbaidjan—most of whom retain loyalty to their Muslim heritage—are increasing in numbers at a rate more than three times that of other Soviet ethnic

[1] See the following articles by Murray Feshbach: 'Between the lines of the Soviet census', *Problems of Communism* (Washington, D.C.), XXXI:1 (January–February 1982), pp. 27–37; 'Social maintenance in the USSR: demographic morass', *Washington Quarterly*, 5:3 (Summer 1982), pp. 92–8; and 'The Soviet Union: population trends and dilemmas', *Population Bulletin* (Washington, D.C.), 37:3 (August, 1982), entire issue; also Nick Eberstadt, 'The health crisis in the USSR', *The New York Review of Books*, XXVIII:12 (19 February 1981), pp. 23–31; *Soviet Analyst* (Richmond, Surrey, England), 10:6 (18 March 1981), pp. 6–8; Jeffrey W. Hahn, 'Soviet demographic dilemmas', *Problems of Communism*, XXX:5 (September–October 1981), pp. 56–61; and various research reports of Radio Free Europe/Radio Liberty.

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groups. Their total population grew from 35 million to 43 million between 1970 and 1979 (an increase of 25 per cent), from 14·5 per cent of the Soviet population to 16·7 per cent.

— The number of Slavs in the Soviet Union—principally Russians, Ukrainians, and Bielorussians—increased from nearly 179 million to 189 million between 1970 and 1979, a growth rate of only 6 per cent. Their share of the total Soviet population fell from 74 per cent to 72 per cent. The proportion of ethnic Russians in the total Soviet population declined from 53·4 per cent to 52·4 per cent. By the year 2000, the Russian share of the USSR population will be 46 to 48 per cent.

— These demographic developments are, apparently, a result of both deteriorating health care and significant differences in Muslim/non-Muslim life-styles that have survived the consolidation of Soviet control over Central Asia sixty years ago.

Published statistics on 1979–80 fertility rates of Soviet women show a wide disparity between the six Muslim and nine non-Muslim Soviet republics. All six (non-Muslim) Slavic and Baltic republics report 1·9 or 2·0 births per woman. Continued replacement of the population requires 2·1 children per woman, a rate achieved in the non-Muslim republics of Moldavia (2·4), Armenia (2·4), and Georgia (2·2), as well as the six republics named after predominantly Muslim ethnic groups. These range from Kazakhstan, where Russians actually outnumber Kazakhs 40·8 per cent to 36 per cent, with a fertility rate of 2·9, to Tadzhikstan with a fertility rate of 5·8. The other four Muslim republics show 3·3 to 5·1 children per woman.[2]

Comparisons in birth rate (births per 1,000 population, a figure influenced by age and sex structure of the population) among the fifteen republics yield similar results. The six Slavic and Baltic republics show 16 or fewer births per 1,000 and the four Central Asian republics in which the titular nationality is dominant reported birth rates between 29·6 (Kirghizia) and 37·0 (Tadzhikstan) in 1980.[3]

The markedly different fertility/birth rates reflect two groups of interrelated factors. The first concerns urbanization, industrialization, education, and housing availability—all of which are recognized as having an impact on fertility/birth rates. Urbanization has increased substantially in the Soviet Union since the Second World War, from 40·2 per cent of the population residing in cities in 1950 to 63·4 per cent in 1980. Correlating with fertility/birth rates, the level of urbanization varies significantly among the different republics: 70 per cent of the residents of the vast Russian Soviet Federated Socialist Republic (RSFSR; 82·6 per cent of the population is Russian) live in cities compared to less than 50 per cent in the four Central Asian republics in which the titular nationality is dominant.[4]

[2] Feshbach, 'The Soviet Union: population trends and dilemmas', *loc.cit.*, pp. 20–1.

[3] *Narodnoye khozyaistvo SSSR v 1980 g. [The National Economy of the USSR in 1980]*, (Moscow: Financy i statistika, 1981), pp. 32–3.

[4] *ibid.*, pp. 12–17.

Historically, urbanization is related to industrialization and also reflects educational standards as the labour force is trained to operate and manage increasingly complex industrial systems. Because the non-Muslim sections of the Soviet Union are further developed than Central Asia, the impact of these modernizing forces on population growth has been much more widespread outside the Muslim republics. For example, well-educated Soviet women (who are proportionately more numerous in the European part of the USSR) do not show enthusiasm for raising large families.

Similarly, the housing crisis in the Soviet Union—about 20 per cent of all urban families must live in communal apartments with other families[5]—is a deterrent to raising children. Crowded living conditions are much more common in heavily urbanized areas and thus have greater impact on Slavic and other European Soviet women.

The second group of factors affecting regionally different fertility/birth rates is concerned with questions of custom and tradition. Attitudes toward women working outside the home, abortion, and divorce vary significantly between Muslim and non-Muslim peoples of the USSR. Although economic and political pressures motivate the majority of all Soviet females to work outside the home, proportionately more do so in the non-Muslim republics. Similarly, abortion and divorce rates are much higher among Slavs than among Soviet Muslims; Islamic traditions are effective in limiting both. (Various Soviet sources report that 3·2 to 4 abortions occur for every live birth in the USSR on a national basis. Soviet and Western observers alike agree that the incidence of induced abortion is substantially higher among non-Muslim women.[6])

More than consideration of fertility and birth levels, the study of Soviet mortality rates poses a challenge to Western (and Soviet) scholars. Since the mid-1970s, Soviet statistical omissions in this area have been severe; local reports and evidence on related issues suggest a major health crisis in the USSR and deliberate attempts by Soviet authorities to conceal its extent and ramifications. In 1976, the Soviet Union failed to publish its infant mortality rate for 1975. Between 1955 and 1971, the Soviet infant mortality rate had declined dramatically, from 59·6 deaths in the first year of life per 1,000 live births to 22·9. However, succeeding years saw steady increases: 24·7 in 1972, 26·4 in 1973, and 27·9 in 1974.[7] In the absence of subsequent Soviet figures on its infant mortality rate, the American demographer, Murray Feshbach, used other Soviet data to estimate a 1979 USSR infant mortality rate of 35 or 36 per 1,000 live births.[8]

Soviet statistics on general death rates also show significant omissions.

[5] *Pravda*, 24 June 1981.

[6] See Christopher Davis and Murray Feshbach, 'Rising infant mortality in the USSR in the 1970s', *International Population Reports*, Series P–95, No. 74 (Washington, D.C.: US Bureau of the Census, 1980), p. 13.

[7] *ibid.*, p. 3.

[8] Feshbach, 'The Soviet Union: population trends and dilemmas', *loc. cit.*, p. 32.

Figures for crude death rates (deaths per 1,000 population) continue to be published and these show a 50 per cent increase between 1960, when the lowest death rate— 7·1—was reached, and 1980, when the death rate rose to 10·3.[9] The ageing of the Soviet population cannot account for such a dramatic rise. Statistics on death rates for specific age cohorts might provide some explanation, but such data have not been published since 1975/6 when five-year groups aged 30 and over (30–34, 35–39, etc.) had higher mortality rates than in 1958/9.[10] A similar omission has occurred since 1973/4 in age-specific death rates for men and women separately. At that time, published data demonstrated a markedly higher death rate for men in every five-year age cohort between 20 and 44 years of age in 1973/4 compared with 1963/4. Because the death rate for women did not change significicantly, a substantial imbalance in the sex ratio has developed in even the younger adult cohorts.[11] These negative phenomena are most pronounced in the non-Muslim areas of the USSR.

The last published life expectancy figures, for 1971/2, reported 74 years for women and 64 for men, a two-year decrease for males from their highest rate, reached in the mid-1960s. Using available data on Soviet births and deaths, the US Census Bureau specialist, Godfrey Baldwin, has estimated that life expectancy had dropped further by 1980, to 73·5 years for females and 61·9 for males. Both the decline and the very large gap between the sexes are unprecedented among developed countries.[12]

Western observers of Soviet demographic health trends attribute the increase in USSR infant mortality rates, an astonishing occurrence in the latter half of the twentieth century, to a number of factors: poor pre-natal care, growing alcoholism among Soviet women (leading to a 5 per cent increase in the number of defective—and more vulnerable—children born each year), repeated abortions—perhaps six to eight per woman (resulting in uterine damage and subsequent problems in future pregnancies), increasing illegitimacy (often followed by inadequate childcare), frequent influenza epidemics that increase infant vulnerability to pneumonia, nutritionally inadequate formula, poor pediatric care, and illnesses contracted in overcrowded and unclean day centres.[13] Several of these conditions are more prevalent among Russians and other Europeans; Islamic taboos militate against alcoholism, abortion, use of formula in place of breast-feeding, and use of day-care centres.

The increasing mortality rate among adults is also an outcome of multiple causes; the most important of these appear to be alcoholism, increasing incidence of circulatory and cardiovascular disease, and deteriorating medical

[9] *Narodnoye khozyaistvo SSSR v 1908 g.*, *loc. cit.*, p. 31.

[10] John Dutton, Jr, 'Changes in Soviet mortality patterns, 1958–1977', *Population and Development Review* (New York), 5:2 (June 1979), Table 5, pp. 276–7.

[11] Feshbach, 'The Soviet Union: population trends and dilemmas.' *loc. cit.*, pp. 31–2.

[12] *ibid.*, p. 33.

[13] See Davis and Feshbach, *loc. cit.*, Chapter III, for a detailed presentation on this issue; also Eberstadt, *loc. cit.*, p. 24.

care. Alcoholism, reports the US researcher Murray Feshbach, is 'pandemic' in the USSR and is 'undoubtedly a leading factor behind the mortality rise among working-age men, although heavy drinking is also increasing among women and teenagers'.[14] Specifically, alcoholism leads to accidents, injuries, and premature degeneration of the circulatory/cardiovascular system. Additionally, more than 40,000 Soviet men die annually from alcohol poisoning, 100 times the figure for the United States.[15]

High levels of alcohol consumption, smoking, and stress all contribute to increasing mortality due to circulatory/cardiovascular disease. Death rates from this type of illness more than doubled between 1960 and 1979 in the Soviet Union; in the United States, they fell 20 per cent during the same period.[16]

As in the West, alcoholism and circulatory/cardiovascular disease are more prevalent among Soviet males than among females. These particular conditions doubtless account for the markedly higher male death rate in the USSR.

Deteriorating medical care affects all sectors of Soviet society. In part, the deterioration is simply a failure of the Soviet medical industry to keep pace with the rapid advances achieved in Western medicine over the last few decades. Nowhere is this discrepancy more obvious than on the Soviet black market where demand for common Western medications is often very brisk. As another example, one notes the recent opening of the first neo-natal intensive care unit in the Soviet Union (in Moscow); such specialized centres for newborns have been operated in the United States for more than two decades and now are found in nearly 450 American hospitals.[17]

Other weaknesses abound in Soviet medicine. Most frequently mentioned are: overworked and poorly paid physicans, a severe shortage of highly skilled nurses, corruption among medical care professionals, shortages of medical equipment and supplies, inadequate diagnostic work, poor clinic and hospital sanitation, overcrowded urban clinics, and especially deficient medical care in rural areas.[18]

A comprehensive assessment of the causes of declining Soviet health care is beyond the scope of this article. However, one fact does stand out: since 1965, when health care received 6·6 per cent of the Soviet state budget allocation, its proportion of allocated state funds has steadily declined—6·1 per cent in

[14] Feshbach, 'The Soviet Union: population trends and dilemmas', *loc. cit.*, p. 34.

[15] *The New York Times*, 4 January 1983. See also Vladimir Treml, 'Deaths from alcoholism in the USSR', *Soviet Studies* (Glasgow), XXXIV:4 (October 1982), pp. 487–505, and Treml's book, *Alcohol in the USSR: A Statistical Study* (Durham, N.C.: Duke University Press, 1982).

[16] Feshbach, 'The Soviet Union: population trends and dilemmas', *loc. cit.*, p. 35.

[17] *Hospital Statistics*, 1982 edition (Chicago: American Hospital Association, 1982), Table 13, p. 212.

[18] Many of these problems have been noted in Soviet publications, especially in *Literaturnaya gazeta*, the weekly newspaper aimed at the Soviet intelligentsia. Other articles on deficiencies in Soviet medical services have appeared in such popular and authoritative Soviet media as *Pravda*, *Izvestiya*, *Sovietskaya Rossiya*, and *Trud* (the newspapers respectively of the Communist Party of the USSR, the USSR government, the RSFSR Communist Party and government jointly, and the state labour union). See also Eberstadt, *loc. cit.*, pp. 23–31, and William A. Knaus, M.D., *Inside Russian Medicine* (New York: Everest House, 1981).

1970, 5·3 per cent in 1975, and 5·0 per cent in 1980.[19] Health care appears to be an item of progressively lower importance in Soviet budgetary planning.

Adverse Soviet demographic developments are likely to have a fourfold impact on Soviet society. First, the labour shortage in the USSR, already serious, will grow even more severe. Whereas 2·7 million citizens joined the working-age population annually in the mid-1970s, only 300,000 will do so in the mid-1980s. Although grandchildren of the post-war baby boom may boost the number of new entrants into the labour force to 1·9 million by the year 2000, it is unlikely either that this level will be maintained or that population growth will be sufficient to meet industrial requirements.[20] A disproportionately large number of new workers will reside in Central Asia, an area with a weak industrial base and already suffering from a 'labour surplus', the Soviet euphemism for unemployment. Many Central Asians are poorly educated, lack fluency in Russian, and are unwilling to move to non-Muslim regions of the USSR where they might fulfil a *gastarbeiter* function among the Soviet European population. (Only about 1 per cent of Soviet Uzbeks, for example, live outside Soviet Central Asia. Even the better educated Muslims prefer to stay close to extended families in the Islamic republics. Another issue, of course, is whether large-scale movement of Soviet Asians into European areas would exacerbate existing levels of ethnic tension in the USSR.)

Second, just as the civilian labour force is likely to endure severe manpower shortages, the Soviet military sector is unlikely to be able to fill its ranks with sufficient numbers of adequately educated young men. The draft pool of 18-year-olds will decline 20 per cent in overall quantity between the mid-1970s and mid-1980s. Central Asians and young men from other poorly developed southern Soviet regions already constitute one-third of eligible recruits; by the turn of the century, they will account for two-thirds of Soviet conscripts.

Quantity of men and the quality of their education are only two factors concerning Soviet defence planners. Even in the early 1970s, Soviet military publications acknowledged that USSR defence efforts are hardly enhanced by recruits who cannot comprehend a common language, who have ethnic loyalties that cross Soviet borders, and who identify neither with a Slavic society nor with its Russian and Ukrainian officers.[21] The loyalty of such troops to Moscow is especially uncertain when confronted with pan-Islamic, Third World issues in Asia where Soviet Muslims have ethnic counterparts in several countries bordering on the USSR. That such manpower problems pose serious difficulties for the Soviet armed forces is already obvious in the current campaign in Afghanistan.

In addition to the spectre of disloyal troops, Soviet commanders must also

19 *Narodnoye khozyaistvo SSSR v 1980 g.*, *loc. cit.*, p. 523.

20 Feshbach, 'The Soviet Union: population trends and dilemmas', *loc. cit.*, p. 27.

21 Articles on this subject have appeared periodically since the early 1970s in such major Soviet military publications as the newspaper *Krasnaya zvezda [Red Star]* and the journal *Kommunist vooruzhennykh sil [Communist of the Armed Forces]*.

be concerned about ethnic tensions within the ranks and racial disputes between soldiers and the civilian populations in whose midst they serve. Both problems appear to be common.[22]

Third, Soviet Muslims are inadequately represented in the power centres of the USSR. As their proportion of the Soviet population continues to increase, the nature and extent of Slavic (Russian) domination of Soviet decision-making may be forced to adapt in some way to changing demography. The degree to which Central Asians could actually disrupt patterns of Soviet life cannot be foreseen, but the existence of ethnic friction in the Soviet armed forces has implications for broader Soviet society that cannot inspire confidence among the Soviet leadership.

Fourth, the Soviet government and Communist party must also be concerned about the impact of demographic changes on Soviet foreign policy. The European character that the USSR attempts to project in various international forums will have diminishing validity. When expedient, of course, the Soviet Union has always reminded foreigners that it is an Asian country as well; this claim, however, will seem hollow in all but the narrowest locational sense unless its Asian peoples exert more real influence than they currently possess.

Soviet authorities are implementing both short- and long-term policies designed to solve their demographic problems. To fill existing gaps in civilian manpower supply, surplus labour from lesser developed socialist countries—especially Vietnam, North Korea, and Bulgaria—is being assigned to work in the Soviet Union, mainly in forestry and on large construction and industrial projects. Another short-term response to current problems is the encouragement of pensioned factory workers to return to their former jobs.

For the longer term, the Communist party, the Soviet government, and the state trade union association jointly agreed in 1981 to implement several pro-natalist measures; the key provisions include extended paid maternity leave, cash payments to mothers upon the birth of each child, additional paid leave for women with two or more young children, and construction of additional children's institutions that ease the burdens of child-rearing (e.g., day-care centres, extended-day schools, and summer camps). The effectiveness of these policies in increasing fertility/birth rates remains to be seen. The specific financial inducements, although welcome to many women, are not extraordinary. Further, pro-natalist provisions do not address other major issues, such as the health-care delivery system, housing shortage, or Islamic traditions. So deep-rooted and complex is the Soviet demographic problem that population vitality is unlikely to be attained in the forseeable future. Accordingly, the Soviet practice of witholding inconvenient data may be expanded, providing even greater challenges to Western observers and, indeed, to Soviet authorities as well.

[22] *The New York Times*, 11 January 1982. This article cites S. Enders Wimbush and Alex Alexiev, *The Ethnic Factor in the Soviet Armed Forces* (Santa Monica, CA: The Rand Corporation, 1982).

Boputhatswana and the South African homelands

CHRISTOPHER COKER

WHEN the homeland of Boputhatswana opted for independence in 1977, following closely on the Transkei, most of the world dismissed it as a farce. The correspondent of *The Times* was reminded during the independence celebrations of Evelyn Waugh's *Scoop*. And indeed, in the inauspicious circumstances in which it came into being—with the trappings of statehood but little of the substance—it did appear to the outside world and the three-fifths of its 'citizens' living outside it as a product of the most cynical nation-building on the part of South Africa, yet another building block in the grand design of separate development.

Six years after independence, Boputhatswana is still a fledgling territory made up of seven pieces of land which spill across three provinces of South Africa. But it has some significant achievements to its credit which have largely gone unnoticed in the West. In five years its agricultural output has increased ten times to a point where it is self-sufficient in maize and approaching that point in beef and wheat production. A co-operative farming system has increased productivity from 0·6 tonnes per hectare prior to independence to 3·5 tonnes today. In certain sectors its productivity rates are higher than South Africa's. Although not a major contributor to its GDP, its agricultural system is the most impressive of all the homeland states, and more impressive than the BSL states (Botswana, Swaziland and Lesotho) which gained independence from Britain fifteen years ago.

The greatest contribution to GDP comes from mining. Boputhatswana is the third largest producer of platinum in the world, producing 60 per cent of Southern Africa's total. Yet, despite these extensive reserves of platinum group metals and their traditional by-products which make the country unique among the homelands, the ratio of minerals to other exports has shown a steady decline in recent years as the manufacturing sector has continued to expand. This is not only unique among the homelands; it is also unique among most other mineral-rich sub-Saharan African states whose independence, unlike Boputhatswana's, is now nearly twenty-five years old.

Export growth has led to a sevenfold increase in the budget. In 1980, growth rates taking into account inflation were as high as 10 per cent. Boputhatswana's rate of progress during its first five years as an independent state is one of the highest of all the developing countries excluding the oil exporting states: clearly it is in a category of its own. As the most viable of the independent homelands, its success is worth examining in the context of three

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factors: the homeland policy itself, South Africa's future options and the West's attitudes to the South African question. An understanding of all three may help to explain why international recognition is more unlikely now than ever.

Independent homelands

Compared with the three other homelands which have opted for independence—Transkei (1976), Venda (1978) and Ciskei (1979)—Bophuthatswana is very much a model state. Both Venda and the Transkei pay very little regard to their own constitutions. In the former, independence was awarded despite the ruling party's failure to win the 1978 election. Ever since, it has only been able to retain power through nominated members and South African support. In the Transkei,[1] the ruling Transkei National Independence Party (TNIP) governs by draconian laws including legislation which makes it treasonable to question the wisdom of independence, and an offence to insult the dignity of the President. The Ciskei has probably done even more to bring the homeland programme into disrepute. The Sebe brothers have ensured mute acquiescence among most of their voters by ruling outside the law even though 90 per cent of the electorate, according to a survey conducted by an independent commission, favoured universal male adult suffrage in a non-racial South Africa.

The claim of Bophuthatswana's President, Lucas Mangope, to rule democratically is, of course, limited by two factors: the refusal of the Tswana outside the country to register on its voting roll—less than 4 per cent did so in last October's election; and the indifference of the great majority of citizens resident within the state. Only 38 per cent voted in the original independence referendum. No doubt, their indifference explains the absence of a competitive political system. The opposition lost two defectors after the referendum and its remaining four seats in the last election. Nevertheless, within the limits of a one-party Parliament in a multi-party state (a phenomenon well known in Africa), democratic rule can still be said to exist. Mangope has committed the party to greater public accountability by gradually eliminating the remaining nominated seats in the country's National Assembly. The present twenty-four nominated seats represent half the number allotted to its traditional leaders on independence.

Economically, Bophuthatswana can be described as the only viable state of the four. Permanent budget deficits in the Transkei, at one time as high as 29 per cent of budgeted expenditure, have left the country in a permanent financial crisis. Domestic income has never accounted for more than a quarter of annual revenue, with the balance coming from Pretoria. None of the four except Bophuthatswana can feed themselves. The Ciskei—the only Bantustan that has opted for independence since Botha initiated the reform programme—

[1] For background, see R. Schrire, 'The emancipation of Transkei', *The World Today*, January 1977; also Merle Lipton, 'Independent Bantustans?', *International Affairs*, January 1972.

is the most underdeveloped of all. It can better be described as a rural ghetto than a state. With half its food imported, up to 60 per cent of its population unemployed and as much as 40 per cent of its rural population landless—it offers a graphic illustration of the futility of the entire homeland programme.

The foundation of Boputhatswana's success is its twenty-nine mines with their extensive deposits of platinum group metals: vanadium, asbestos and chrome, together with their traditional by-products—nickel and copper. Mining is the largest employer of labour, and the most important factor in the influx of workers into the labour market—at present averaging 14 per cent per annum. A third of those employed work in Boputhatswana, with two-thirds continuing to commute to South Africa. It is a pattern repeated in countries as diverse as Lesotho and Mozambique. Unlike both these, however, the current employment figure of 10 per cent is significantly higher.

Nevertheless, Boputhatswana's success has cast light on the failure of the homeland policy as a whole. The Transkei and Boputhatswana have between them absorbed more than half the total amount of land set aside for the African reserves under the 1913 and 1936 legislation. Boputhatswana's main game reserve is larger than the homeland of QuaQua, yet its territorial claim to land lying in South Africa has made Pretoria think again about the land hunger of future independent homelands. Together with Venda, all three are the only homelands that have any claim to economic viability in terms of arable land. 70 per cent of KwaZulu is unsuitable for cultivation; so is 85 per cent of land in QwaQwa where most of the best land is used for resettlement camps. Statistics such as these help explain the desperate plight in which the homelands which still have to be awarded independence now find themselves, and why those which have already accepted it have forfeited the respect and sympathy of the international community. It is the main explanation why international recognition has been withheld. And it is the main clue to why South Africa is thinking again about a programme to which it has been committed since the early 1960s.

South Africa's dilemma

Boputhatswana's success has merely added to the dilemma which South Africa has been facing for the past five years and which has prevented the government from pressing ahead with the homeland policy even though it still remains an essential part of Botha's reform programme.

The cost of subsidizing and supporting unviable states, although not significant in absolute terms or as a percentage of the country's GDP (2½ per cent), has become a severe embarrassment. Transkei which earns only a quarter of its own GDP is as dependent on South African assistance as it was on independence. The Ciskei is dependent on Pretoria for four-fifths of its budget, and for 65 per cent of its *per capita* income. That Boputhatswana has managed to reduce South African aid from 10 per cent of its budget six years ago to 2 per cent today speaks much for the soundness of its economic management. Even so, it received R66 million in its first three years

of independence and still owes the republic R35m. outstanding in
The cost would well be supportable but for the additional cost of purch*
land awarded in the 1936 Land Act which has become a contentious pol*
issue. Forty years after the bill's passage, South Africa is not even in sig
completing the land purchases originally envisaged. The cost of buying b
land from white farmers has risen so steeply that some officials now prec
that only 4–5 per cent of the remaining land quota will actually be purchase
Under these circumstances, it is extremely doubtful whether the governme
will ever be able to persuade the remaining self-governing Bantustans to a
cept independence.

The fact that the original land awards can no longer be honoured, of course has thrown into doubt the whole question of land consolidation. The promises to consolidate some of the Bantustan areas by 1985 by buying back more land which were apparently made in 1975 have quietly been dropped.[2]

Every homeland has outstanding claims to larger areas than the government is willing to grant; most have claims against each other. Swaziland has a claim against parts of KwaZulu which, but for a recent decision of the Supreme Court, the government of South Africa showed every willingness to grant. Boputhatswana is no exception. Originally, the Batswana people occupied 50 separate territorial units; by 1936 these had been reduced to 36, by 1967 to 18. The country as it is now constituted is divided into 7 separate blocs. Last year 200,000 hectares of land were added to its existing territority most in the Makikeng–Mmabatho and Vryburg areas. Its outstanding claims—60 per cent of its *existing* land area—is the major challenge facing the Van der Walt Commission on land consolidation.

One of the main reasons for Boputhatswana's economic success is that the main part of its territory lies only twenty-five miles from Pretoria. Because it forms part of the Pretoria–Wittwatersrand area, it is the most viable of the homelands; yet, because of its proximity, consolidation would present South Africa with a major security dilemma. The incorporation of more land would constitute a much more dangerous step than awarding neighbouring Kwandebele which is also near Pretoria a sixfold increase in land as it did quite recently. The Botha government is already under siege from its own supporters for transferring too much power to the non-white communities within the republic. It can hardly treat with equanimity the prospect of bringing another and more powerful homeland into the industrial heartland of Afrikanerdom.

Its relations with some of the independent homelands have not been as cordial as Verwoerd, the chief architect of the homeland programme, originally envisaged. Within two years of independence, the Transkei severed diplomatic relations with the republic and suspended its non-aggression pact a month later. Although all the homelands that have chosen independence have defence forces trained by South Africa and commanded by South African officers, South Africa faces a real security dilemma. Transkei's independence shortened its defence perimeter, but at the cost of bringing a potential

[2] *The Star* (Johannesburg), 26 January 1979.

source of subversion nearer home. Of the other homelands, only Lebowa, Gazankulu, Swazi and Basotho QwaQwa could be given independence without doing any harm to the notion of a shortened perimeter; the others are too fragmented to be responsible for their own security.

The main problems South Africa faces are two. If it agrees to consolidate the territory of the present independent homelands, it will create 'flash-point' corridors—areas adjacent to major industrial centres. In that case, the South African Defence Force (SADF) might well opt to follow the same policies it has pursued with conspicuous success in neighbouring Botswana and Lesotho. All four states could court the risk of direct intervention in their own affairs—inviting South Africa to support opposition groups as it has in Lesotho[3] by allowing them freedom of passage through the Orange Free State, or even inviting the SADF to intervene directly as it did last December when it raided ANC offices in Maseru itself. In the past five years, the destabilization of South Africa's neighbours has been deliberately pursued by the SADF as a means of guaranteeing its own security.[4]

Even if land is not transferred, the existing pattern of armed violence in states such as Venda and the Ciskei would suggest that sooner or later the African National Congress (ANC) may use them as a transit base with or without their governments' connivance. The lack of real opposition in the Transkei has already raised the question whether it is not finding expression at the non-Parliamentary level in the form of a resurgence of support for the ANC. ANC penetration has been assisted by continuing restlessness among sections of the Transkei's Sotho-speaking minority who would like to secede from the Transkei and join Lesotho. The situation in Venda is the most interesting of all, for it is the only independent homeland to date which is already suffering from guerrilla attacks. The state, small though it is, occupies a vital strategic position; it is separated in the north from Zimbabwe by only a narrow strip of land; and in the east from Mozambique by the Kruger National Park. Given the known sympathy of both states for the ANC, it can only be a matter of time before the organization uses Venda for its own operations.

At the end of the day, the homeland programme is probably not worth continuing. It was originally adopted by a government anxious to legitimize white supremacy, but only with the greatest reluctance. As Verwoerd admitted, 'in the light of the pressure being exerted on South Africa' the homeland option might enable South Africa to press ahead with 'a form of fragmentation which we would not have liked if we were able to avoid it.'[5] Verwoerd did not envisage that they would be granted independence until the turn of the century. The decision to speed up the process came only after John Vorster's trip to Europe in June 1970, when the climate of opinion seemed to

[3] See Malcolm Wallis and Robert D'A Henderson, 'Lesotho 1983: year of the election?', *The World Today*, May 1983.

[4] See my 'South Africa: a new military role in Southern Africa 1968–83', *Survival*, March 1983.

[5] Cited by Michael Arnheim, *South Africa after Vorster* (Cape Town: Howard Timmis, 1979), p. 111.

factors: the homeland policy itself, South Africa's future options and the West's attitudes to the South African question. An understanding of all three may help to explain why international recognition is more unlikely now than ever.

Independent homelands

Compared with the three other homelands which have opted for independence—Transkei (1976), Venda (1978) and Ciskei (1979)—Bophuthatswana is very much a model state. Both Venda and the Transkei pay very little regard to their own constitutions. In the former, independence was awarded despite the ruling party's failure to win the 1978 election. Ever since, it has only been able to retain power through nominated members and South African support. In the Transkei,[1] the ruling Transkei National Independence Party (TNIP) governs by draconian laws including legislation which makes it treasonable to question the wisdom of independence, and an offence to insult the dignity of the President. The Ciskei has probably done even more to bring the homeland programme into disrepute. The Sebe brothers have ensured mute acquiescence among most of their voters by ruling outside the law even though 90 per cent of the electorate, according to a survey conducted by an independent commission, favoured universal male adult suffrage in a non-racial South Africa.

The claim of Boputhatswana's President, Lucas Mangope, to rule democratically is, of course, limited by two factors: the refusal of the Tswana outside the country to register on its voting roll—less than 4 per cent did so in last October's election; and the indifference of the great majority of citizens resident within the state. Only 38 per cent voted in the original independence referendum. No doubt, their indifference explains the absence of a competitive political system. The opposition lost two defectors after the referendum and its remaining four seats in the last election. Nevertheless, within the limits of a one-party Parliament in a multi-party state (a phenomenon well known in Africa), democratic rule can still be said to exist. Mangope has committed the party to greater public accountability by gradually eliminating the remaining nominated seats in the country's National Assembly. The present twenty-four nominated seats represent half the number allotted to its traditional leaders on independence.

Economically, Boputhatswana can be described as the only viable state of the four. Permanent budget deficits in the Transkei, at one time as high as 29 per cent of budgeted expenditure, have left the country in a permanent financial crisis. Domestic income has never accounted for more than a quarter of annual revenue, with the balance coming from Pretoria. None of the four except Boputhatswana can feed themselves. The Ciskei—the only Bantustan that has opted for independence since Botha initiated the reform programme—

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encourage hopes that their independence would actually be recognized. That international recognition has not followed, not even for Boputhatswana, the most credible of all, is a bitter pill to swallow at a time when the Nationalist Party is coming under increasing criticism from its own supporters for having agreed to balkanize the country at all.

International recognition

Although Boputhatswana is not recognized by the international community, it has missions (none with diplomatic status) in the United States and most countries of the European Community, including Britain where an office was opened last year. For the moment, however, interest at the state level has largely been limited to the United States and France.

With their characteristic readiness to leave all options open, the French have never dismissed the homeland experiment out of hand. The former Prime Minister, Antoine Pinay, was so impressed by a visit to the industrial centre at Babalegi in 1973, when Boputhatswana was still only a self-governing territory, that he recommended investing in its future. Foreign investment (mostly from Taiwan and Europe) at present constitutes 40 per cent of all capital investment in the independent homelands. Boputhatswana has more foreign investment than any other, and even more than Lesotho. Perhaps, not surprisingly, it is the one in which Paris has shown the most interest.

The history of Franco-South African relations is a long and complex one but on various occasions in the past the French have sought to use the good offices of the Francophone states to establish a dialogue with Pretoria, an initiative that failed dismally when last attempted in 1971. The Quai d'Orsay appears to have revived the option after France began limiting its contacts with South Africa in 1977 and expanding its operations in West Africa, particularly in Nigeria. If its interests further south are to be made more secure without jeopardising its links with Nigeria, some form of dialogue may be more necessary than ever. In 1978, the Ivory Coast sent an official delegation to Venda, the first by an African government. Last year, the Foreign Minister of Boputhatswana held two meetings with his opposite number in Senegal, and its former President, Leopold Senghor, who played such a key role in the dialogue initiative twelve years ago, accepted the honorary Presidency of the Franco-Boputhatswana Society. These are fragile links, to be sure; they should not be dismissed entirely, however.

Even more significant is the attitude of the United States. Last October, an official delegation from the US consular office visited Mmabatho on what was described as an 'investigatory' trip, the first since President Carter's ban on all such visits in 1977. Criticized for the move, the Reagan Administration maintained that by isolating Boputhatswana as the world had done hitherto it had merely extended negative *de facto* recognition. By limiting diplomatic visits to areas outside the homelands it had actually acknowledged their existence.

Nevertheless, the visit must be put in its historical context. In the early

1970s, the Nixon Administration made no secret of its support for the KwaZulu leader, Gatscha Buthelezi, who had from the outset made clear his intention not to accept independence but to mobilize black urban opinion by using the platform the government had given him. Buthelezi managed to convince the State Department during a visit to Washington in 1971 that, whatever its objections to separate development, the system could be exploited. Contrary to what its critics claimed, the Administration never seriously entertained any intention of recognizing the independent homelands. As a State Department report commented wryly, the homeland programme, although the showpiece of *apartheid*, lagged behind South Africa in every respect but segregation.[6] After touring the Transkei and KwaZulu, the Assistant Secretary for African Affairs, David Newsom, returned to the United States more convinced than ever that they had little basis in economic reality,[7] that they were far from being 'embryonic free African states'. Later still, a State Department team returned from South Africa clear in its own mind that any economic support given to the Bantustans should neither 'sanction nor give recognition to separate development in South Africa'.[8] Far from sponsoring the homelands, the State Department only allowed the government of KwaZulu to send officials to the United States to discuss economic aid—the one homeland whose government had already rejected independence for itself and its people.

The Nixon Administration was far more interested in quite a different option, one it discussed with Chief Buthelezi in 1971 and later with Kaiser Matanzima of the Transkei when the latter visited Washington on a leadership grant the following summer. Immediately on his return, Matanzima fell in with Buthelezi's plan to federate the homelands into an 'alternative' black South Africa that would be able to talk to Pretoria from a position of strength on behalf of the disenfranchised black community irrespective of ethnic identity. The United States took particular interest in the Umtata summit in 1973, which all but two of the homeland leaders attended and at which all those present agreed to federation in the interests of black unity.

In the event, the second summit scheduled for December did not meet until November 1974, by which time Matanzima had broken ranks and opted for independence. Contrary to expectations, however, the United States did not abandon the scheme. Indeed Newsom's successor, Donald Easum, reiterated that the homeland leaders would have to organize themselves on a *national* level if they were ever to gain *international* recognition.[9] It was a conclusion that was implicitly, if not explicitly, endorsed by a report produced by a second State Department-sponsored team which was sent out in 1975. After talking

[6] *The New York Times*, 10 November 1971.

[7] Cited in *Policy toward Africa in the 1970s*, Hearings before the Committee on Foreign Affairs, subcommittee on Africa, House of Representatives, 91st Congress, 2nd Session, 1970, p. 323.

[8] *The Star*, 7 October 1972.

[9] Cited in *US policy toward Southern Africa*, Hearings before the Committee on Foreign Relations, subcommittee on African Affairs, US Senate, 94th Congress, 1st Session 1975, p. 360.

with Buthelezi and Mangope (who at the time was opposed to independence for Boputhatswana), its authors supported Buthelezi's claim that the homeland programme could be used to advance claims that Verwoerd had never envisaged. 'How vigorously the homeland leaders put their demands and what sanctions they threaten to support those demands may condition how generous a response they receive from the government.'[10]

The form such meetings might have taken was clear in 1974 when the homeland leaders persuaded Vorster to look at the pass laws more closely and to appoint a committee to examine the fairness of African Tax contributions. That the debate has been recently re-opened by Matanzima himself is particularly interesting, given that a Republican administration is once again in power in Washington and that the present Assistant Secretary for African Affairs, Chester Crocker, was the National Security Council's co-ordinator for African policy in the early 1970s.

Recently, Kaiser Matanzima has emerged from his position at the back stage of Transkeian politics to try to rally black opposition to the new three-chamber South African Parliament and to the associated idea of a confederation between South Africa and its nominally independent states. Last year, Matanzima and Mangope met to discuss the possibility of re-opening the federation option discussed at the Umtata summit. Mangope is likely to raise the issue with South Africa when he meets the Cabinet committee appointed to examine how to accommodate the political aspirations of the blacks living outside their designated homelands. The scheme may also appeal to many homeland leaders who have rejected independence. In April, voters in Lebowa gave their Chief Minister, Cedric Phatudi, a strong mandate to oppose Pretoria's offer of independence and to press ahead with his own programme of creating a federation between the different regions of South Africa irrespective of racial status. Whether the United States will seek to play a role in this process has yet to be seen.

The urban black and federation

Both Mangope and the government of the Transkei have been compelled to re-open the debate because of the unresolved problem of the urban black which lies at the root of the problem of international recognition. Although there have been only ten cases of people living inside Boputhatswana renouncing their citizenship, citizenship means little or nothing to three-fifths of the Tswana people who are domiciled outside it. At independence, a poll showed that less than 3 per cent of urban blacks favoured Mangope as a leader above his rivals, principally Dr Nthato Motlana, the Chairman of the Soweto Civic Association, a rating well below the 20 per cent proportion of Soweto's population which is Tsetswana speaking. Such statistics would make a complete nonsense of schemes recently canvassed in Pretoria to give the home-

[10] Jeffrey Butler and John Adams, *The Black Homelands of South Africa: The Political and Economic Development of Boputhatswana and KwaZulu* (Berkeley: University of California Press, 1977), p. 227.

land governments extraterritorial jurisdiction over, and access to, the urban councils and other semi-elected bodies in South Africa's cities which have so far shown little inclination to play the docile role originally prescribed for them in the late 1970s.

That the homeland leaders might have influenced urban black opinion had they *not* opted for independence seems clear from Buthelezi's success in developing a mass political movement which has made him a compelling spokesman for the Zulu workers of Durban, as well as the people of Kwa-Zulu. As he recognized ten years ago, 'none of the architects of separate development could ever have dreamed that their policy would be used as a platform on which to build black solidarity.'[11] Few observers in the West were aware of this at the time. One of the exceptions, Colin Legum, recognized that the homeland leaders could 'only be deprived of their right to act as spokesmen for their designated constituencies by an abrogation of the laws designed to establish separate development.'[12] By breaking ranks after the Umtata summit the homeland leaders deprived themselves of the right to speak for the urban blacks. With what effect can be seen from the two very different responses to industrial unrest. In 1973, Buthelezi used the platform he had been given to make common cause with the industrial workforce of Natal during the strikes which crippled the region despite the express opposition of the goverment. Eight years later, when the municipal workers of Johannesburg went on strike, the government discovered that the consuls of the independent homelands of the Transkei, Boputhatswana and Venda were reluctant to intervene despite its own *express request* for fear of not being listened to by their own 'citizens'.[13]

The problem of the urban black is one which South Africa and homelands like Boputhatswana both confront. When Mangope opted for independence, having failed to persuade Pretoria that the Tswanas living outside Boputhatswana should not be deprived of their South African citizenship, he hoped that the creation of an independent but democratic country would act as a psychological catalyst which might ultimately reconcile the white electorate to a non-racial society in South Africa itself. Clearly this has not happened. Equally clearly, the homelands acting independently seem unlikely to offer a nucleus for some arrangement of institutional power-sharing whether they are officially independent or not.

Yet, it must also be recognized that the black community in South Africa has suffered several severe setbacks in the last two years. The black trade union movement has been harassed by the police on such an extensive scale that the police themselves have been unable to obtain the conviction of the last twenty or so trade union leaders who have been brought before the courts. This has not, however, been without cost to their own operations. The other black

[11] Cited in *A Survey of race relations in South Africa 1973* (Johannesburg: South Africa Institute of Race Relations, 1974), p. 165.

[12] Colin Legum, 'Political leadership in the Bantustans', *Third World*, 2 (1977), p. 17.

[13] *The Times*, 31 July 1980.

organizations allowed by law, far from dissuading the leaders of the coloured and Indian communities to opt for a three-chamber parliament, have discovered the depth of mistrust within the non-white majority. According to one recent survey, only 1 per cent of the Indian community would accept a black Prime Minister of the country.[14] In that respect, the cause of multiracialism has suffered a major psychological setback.

Even more alarming for the West, Buthelezi's own position is becoming increasingly untenable. The failure of the Buthelezi Commission merely revealed the contempt in which he was held by the government and its almost complete lack of respect for Inkatha's strength. For the past few years, Inkatha's membership has remained static and for all its multi-racial rhetoric continues to be predominantly Zulu. Even within KwaZulu, Buthelezi's authority is fast eroding. Compared with Mangope's rule in Boputhatswana, he has been forced to rule with special powers of arrest and detention which, although originally introduced by South Africa, have been extended at his own request. Two separate opposition movements have been dissolved. Inkatha's mandate in the 1978 election was only 37 per cent, 1 per cent higher than the ruling party in Mmabatho.

All this represents an unsettling picture for the West. For it suggests that the voices of the black community have been muzzled or ignored at a time when Pretoria is finding itself increasingly unable to press ahead with the reform programme. If there was ever a need for the homeland leaders to act together, to speak for the black majority even if they cannot be said to represent it, the time is now. The West has denied itself access to the independent homelands for the best of motives—its reluctance to undermine Buthelezi's position. The reasons for continuing to do so are much less convincing if it can be argued that they may still perform a useful role, perhaps the role Buthelezi himself foresaw in 1973: of providing an outlet, however ephemeral, for black opinion at a time when many of its other outlets have been closed.

[14] *The Star*, 15 March 1983.

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Notes of the month

THE BRITISH VOTERS' VERDICT

THE British General Election of 9 June 1983 was notable in a number of respects but in none more so than the predictability of the outcome. From the moment that Mrs Margaret Thatcher announced the dissolution of Parliament on 9 May until the publication of the result, there was no moment at which the Conservative government was not at least 8 percentage points ahead in all the opinion polls. Mrs Thatcher was a hot favourite with domestic and foreign observers from the start, and remained in complete command until the finish. It is an odd reflection that such a unanimous prediction would not have been achieved thirty years ago—or if it had, would have almost certainly pointed to a Labour victory. Without opinion polls, it would have seemed incredible that a British government could as successfully appeal to an electorate that included three-and-a-half million unemployed.

Even in retrospect it is not entirely clear why this happened. One common explanation—namely that the electorate no longer care about unemployment, thanks to the welfare state safety net, the black economy and so forth—is not convincing. All the opinion polls found that the voters were overwhelmingly of the view that unemployment was the most important problem facing the country. One of them even found that a majority thought the Labour Party's prescriptions were most likely to benefit them than the government's. And yet the Conservatives won.

A more fruitful line of enquiry is to examine the way that people actually voted. The first and most obvious fact is that though the Conservatives won a large overall majority of seats—397 to Labour's 209 and the Liberal/Social Democratic Party Alliance's 23—they were in a clear minority in terms of votes cast with 43·5 per cent. Labour and the Liberal/SDP Alliance polled 28·2 and 25·9 respectively with a combined total of 54·1, putting the Conservatives a full 10 per cent behind the opposition. Turnout at the election was reasonably high by British standards at 73 per cent, but low enough to validate the opposition claim, for what it is worth, that Mrs Thatcher received her mandate from less than a third of the British electorate. It is certainly true that the Conservative vote dropped at this election by nearly three-quarters of a million votes from 1979 and that the anti-Conservative majority, though very differently distributed from before, remained steady at about 4 million.

In a real sense, therefore, the election can be said to have been lost and won through the division of the anti-Conservative vote rather than any great wave of enthusiasm for the government. On the other hand, the Conservatives are entitled to turn these arguments on their main opponents and to claim with equal validity that the election could not have been won without the total collapse of the Labour Party. The extent of this ruin can be judged both in terms of votes and seats. The Labour vote fell from 11·5 million in 1979 to 8·4 mil-

lion in 1983. It held up reasonably well in the big conurbations of the north of England where unemployment has struck hardest (indeed the Conservatives won no seats in Glasgow or Liverpool and only one in Manchester). But Labour has been completely destroyed for the time being in the south of England, winning only 31 out of the 260 seats south of the line from the Severn to the Wash (of which no less than 28 were in London). More ominously still, the post-election opinion polls showed that the traditional class base of the Labour Party has been badly eroded. Considerably more skilled workers and more than half of all trade unionists voted Conservative.

The chief engine of this destruction, clearly, was the centre alliance between the Liberals and the new Social Democratic Party. This combination succeeded in polling 7·7 million votes, only 700,000 less than Labour. This was an impressive performance and roughly doubled the Liberal Party's vote in 1979, but was rewarded by only 19 seats for the Liberals and 5 for the SDP, owing to the very even geographical and class distribution of Alliance support which determined that even if the Alliance had succeeded in passing Labour's popular vote, it would not have secured more than 30 seats. Further advance by the centre at the expense of Labour at the next general election could reverse these figures. The picture of British politics that begins to emerge from this analysis is very different from the past. Except in the old, industrial areas, the working-class vote is becoming increasingly volatile. Some of it is being picked up by the Conservatives under their present middle-class management, some has become available to the equally middle-class centre parties. The Labour Party, with its explicit trade-union links, its 'little England' xenophobia and its pacifist streak, appears to be out of date and out of tune with the aspirations of a large number of people between 25 and 45. The rise in inflation, which its prescriptions for curing unemployment appear to threaten, matters to precisely these groups.

These underlying changes are far greater than the vagaries of personality or the cut and thrust of an election could have produced. The latter, none the less, illuminated them. Mr Michael Foot's campaign as Labour leader, for instance, epitomized his Party's situation. Old, unwordly, a little dilapidated, he aroused the kind of nostalgic affection that the British keep for steam-engines and vintage cars; but he seems largely irrelevant to modern preoccupations and problems. The deputy leader, Mr Denis Healey, alternating between old-fashioned mud-slinging invective and desperate attempts to soften the stark unilateralism of the Labour manifesto, completed a curiously dated picture. Mr Roy Jenkins, the SDP leader, though successful in retaining his own seat in Glasgow, also looked outmoded. The best performances came from the new generations—Mr David Steel, the Liberal leader, Dr David Owen who also retained his seat in Plymouth for the SDP, and Mr Neil Kinnock whose brand of Welsh oratory on behalf of Labour aroused memories of Aneurin Bevan.

Mrs Thatcher herself fought a supremely confident campaign. Untroubled by any real worry about the outcome, she was able to brush aside the difficult questions either about the past or the future and relax in the hands of a

superlatively smooth-running publicity machine. Her image, which concentrated on leadership and drive, was rapidly softened when it appeared to be getting too shrill and abrasive; her themes—patriotism, economic consistency, and long-term hope—were pitched at a high level of statesmanlike abstraction where it proved impossible even for so formidable a television interviewer as Sir Robin Day to pin them down. Her tours were basically television events and contact with potentially hostile elements was kept to an absolute minimum. They were none the less effective for that.

The verdict of the country on all of this may perhaps be summarized as a slightly grudging acquittal for the Conservatives, a short sharp shock for Labour and a period of probation for the Alliance. What happens in the next four or five years depends on the ability of the various parties to serve out these sentences in a constructive way. Within the opposition, the Labour Party is peculiarly vulnerable for the democratic and social reasons already described and also because the Party's present constitutional framework favours schism and dissent along Left–Right lines. It is not impossible that a fresh generation of leaders will manage to find a stance for the Party which will recapture the vanishing skilled worker and throw bridges over the ideological chasms that years of procrastination and personal ambition have opened up. If this fails (but only if it fails), the Alliance will get its chance. The difficulties facing the Liberals and even more the Social Democrats in trying to keep up the enthusiasm and momentum through four or five years of opposition is hard to overestimate. But if Labour falters, their time, *faute de mieux,* will come.

Mrs Thatcher and her government have the world at their feet, but there is no particular reason to suppose that they know what to do with it. The Conservative Manifesto does not give any more clues than the Prime Minister. At home, the anti-inflationary mixture is prescribed as before—close control of expenditure, free-floating exchange rates, and aspirations, at least, to tight money policy. Legislation to curb trade unions, more 'privatization' of nationalized industry and more 'law and order' are foreshadowed. None of this is very precise. Abroad, the future is even cloudier. Mrs Thatcher has talked of her new 'authority', but what is this authority to be thrown behind? In general, a strong resistance to the Soviet Union, a fiercer fight for British interests within the Common Market, an implacable defence of 'Fortress Falklands', a strong axis with President Reagan and Chancellor Kohl. But here, too, it is the details that matter, and they are as yet unknown.

One thing that will assuredly not be on Mrs Thatcher's agenda for the next five years is an amendment to the Representation of the People Act. A system that gives one party 61 per cent of the seats in Parliament with only 43 per cent of the votes, and another party 3·5 per cent of the seats with 25 per cent of the votes, may look absurd to the outside observer and is increasingly criticized in Britain. But for the beneficiary, who holds the key to reform, it is set in tablets of stone.

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EEC FARM PRICES: GROWING PROBLEMS

THE Council of Ministers of the European Community finally reached an agreement on farm prices for 1983–4 at 5.00 a.m. in the morning of 17 May. The presentation of the annual increase as an average is always somewhat misleading, this year more so than ever. For the Community as a whole, the average in effective support prices is around 4·1 per cent, for UK farmers the increase is rather less—about 3·9 per cent—because several important commodities in the UK, notably milk and cereals, received significantly less than the average. A further complication is added by the fact that this 4·1 per cent average is the increase in 'ECUs'—the common unit of currency used in Community dealings; however, the exchange rates which are used to convert the prices from ECU into national currencies (the so-called 'green rates') were modified for a number of countries. This meant, for example, that the increase actually received by German farmers in Deutschmarks was only 2 per cent, while that of Greek farmers, in drachma, was as high as 14·0 per cent. Taking these modifications into account, the true average increase, in national currency terms, was some 5·5 per cent. As the average rate of inflation in the Community is now around 9 per cent, the result was therefore a significant cut in support prices in real terms.

The annual fixing of prices ought to take place each year by the end of March to allow the new price schedules for milk, beef and sheepmeat to come into effect at the beginning of their marketing years in April. There was, therefore, this year a delay of seven weeks. Since, unlike wage negotiations, there is no mechanism to allow backdating or retrospective payments, the failure to reach agreement on time results in an actual loss to the agricultural industry.

In fact, there were two distinct reasons for the delay: the first, an institutional difficulty, rather particular in its nature; the second, more fundamental, striking at the heart of the Common Agriculture Policy (CAP) and likely to create increasing problems in future price settlements. The 'local difficulty' arose from an unfortunate coincidence of elections in all the four major member states, France, Germany, Italy and Britain. The French local elections in March were followed by a government reshuffle which switched Mme Edith Cresson, whose relations with French farm organizations had deteriorated to the point of almost open hostility, from the agricultural portfolio to trade, to be replaced by the leading intellectual of the Left, M. Michel Rocard. The German elections on 6 March confirmed in place the government of the CDU/FDP but the subsequent government appointments saw the Free Democrats lose the agricultural ministry. This meant the end of the seemingly everlasting Herr Ertl, doyen of Agricultural Ministers, to be replaced by Herr Kiechle, a man of similar physical stature, also from Bavaria, also a small dairy farmer. As the Germans currently hold the Chair of the Council of Ministers, this change, which took place precisely at the time when the Council was supposed to be reaching its decisions, certainly did not help speed the process. The Italian government, to no one's surprise, fell before negotiations began and an interim administration was formed until new elections could take place on

25 June. As the Italian Minister was extremely keen to convey a favourable impression to his electorate in this brief period, this too did not ease the achievement of compromises. Finally, a British general election was announced in the week before the agreement, but this did not affect matters at all and for once Britain had no direct responsibility for the postponement.

The more fundamental problem which arose at this year's price fixing is one which has been under the surface for several years. At its heart is the difficulty of operating a common policy based on common prices when so many of the other economic influences operating on farmers differ between the Member States. Inflation varies greatly from country to country. Normally, states can adjust to this in their economic dealings with each other by devaluing or revaluing their currencies; but in agriculture, because prices are set in a common currency, a change in the currency value automatically changes the prices in national currency. When this problem first arose in 1969 following a devaluation of the French franc, it was felt that it would be unreasonable to both farmers and consumers to allow sudden rises and falls in support prices in this way, so a parallel system of special exchange rates for agriculture was devised. In order to avoid the distortions which this would have caused to trade, a complicated system of border levies and refunds was introduced—the Monetary Compensatory Amounts or MCAs.[1] When a country has an appreciating currency, the MCAs are 'positive', that is, they act as a subsidy on that country's farm exports and a levy on its imports; where the currency is depreciating, the MCAs are negative and operate in precisely the reverse way.

Within Community circles, it has long been accepted that these MCAs must be progressively eliminated by aligning the two rates of exchange (which means in effect higher price increases for weak currency countries and price reductions for strong currency countries). Indeed the introduction of the European Monetary System (EMS)[2] in 1979 was delayed while an informal arrangement setting detailed rules for dismantling the MCAs was hammered out. Despite this, and despite the existence of the EMS, the centrifugal tendency of EEC currencies has continued—the Deutschmark and the guilder pressing relentlessly upwards, the French franc and the Italian lira down. As a result, the MCAs in force between these countries had reached very high levels. By May, French dairy exports to Germany were subject to a levy of more than 18 per cent, while German exports to France benefited from an equivalent subsidy. To the mortification of the Italians, a daily milk train now makes the journey from northern Germany to Italy providing the raw material for the manufacture of Parmesan cheese; the 15 per cent subsidy which the Germans were claiming more than compensated, according to Italian sources, for the cost of transport. In France, there has been growing unease about the effects of the CAP which, far from confirming France as Europe's natural agricultural supplier, has led to industrial countries like Germany becoming significant ex-

[1] On the MCA system, see Yao-Su Hu, 'German agricultural power: the impact on France and Britain', *The World Today*, November 1979, pp. 453–7.

[2] For background, see Geoffrey Denton, 'European monetary co-operation: the Bremen proposals', *ibid.*, November 1978.

porters of farm goods. There is indeed a school of thought which reasons that a relatively lower level of support than that provided by the CAP would have served the interests of France better. Be that as it may, the French farmers' wrath was directed this year against imports of food into France rather than directly against their government or the Council of Ministers in Brussels. There were several unpleasant incidents involving the burning of lorryloads of Dutch, German and British goods entering into France, or sometimes hijackings of cargoes which were subsequently distributed free to charitable institutions. The French farm organizations were careful to keep their distance, but there was an underlying suspicion that the most powerful, the FNSEA, was not unhappy to see this challenge to the authority of a government with which they have now lost all sympathy. Meanwhile in Italy, farmers succeeded on several occasions in blockading the passage of goods over the Brenner Pass.

With this scenario, the French and Italian governments' overriding aim at the price negotiations was to reduce the level of MCAs. In part, this could be done by devaluing the green currencies of France and Italy, but this would have the incidental effect of raising domestic food prices and inflation and in France the Finance Minister, M. Jacques Delors, was not willing to let his Agriculture Minister have too much scope in that direction. The other way out would be a bigger *revaluation* of the German green DM than that already proposed by the Commission, but this would have meant further cuts in German prices. Already the German farmers in certain sectors were facing no price increases—bigger cuts would have led to actual reductions in money terms and it is an agreed article of faith that this is not acceptable. One way out of this impasse would have been to follow the line advocated by the European farm organization, COPA (Comité des Organisations Professionnelles Agricoles), that is, to raise the general level of price increase to 7 per cent which would then have given greater scope for bigger cuts for the strong-currency, low-inflation countries. But on this last point the Commission was adamant: there could be no increase in their original proposals. After two years in which agricultural spending had actually been cut in the EEC, spending was again taking off, showing an increase of about 30 per cent above last year's level in the first months of 1983. There was in fact, the Commission claimed, no room in the budget for bigger increases. Moreover, 1982 had been a good year for European farmers' incomes—up 9 per cent according to the Commission—and although there was room for dispute on the figures, all estimates agreed that farmers throughout the Community were better off in real terms (although this still left them appreciably below the average achieved in the 1970s). And with production increasing relentlessly and adding to the surpluses, there could be no justification for higher prices. This unprecedented firmness of purpose certainly suited the British government which, while publicly calling for no increases at all, was privately prepared to accept the Commission's figures. Since Commission proposals can only be altered by a unanimous vote of the Council, the Commission had in effect given the British government the veto which it had failed to obtain in 1982.

Faced with this impasse, the Agricultural Ministers accepted that further delay was unlikely to result in any appreciable movement in the positions which had been adopted and cobbled together a typical Community compromise—that is, one which was not wholly acceptable to any of the Ministers but allowed each to return to his capital with some demonstrable success story. The problem over the MCAs was resolved by some very technical jiggery-pokery involving differential adjustments and a change in the value of the ECU by altering the value of sterling. This resolved, there only remained the problem of the Italians who were demanding special increases to compensate for their high rate of inflation. Here the Italian Minister had been threatening to hold up agreement until he had received satisfaction but it is difficult for the Italians, who have always supported greater use of the majority vote, to exercise such a veto and in the end the Minister was bought off with a special subsidy for livestock rearers worth about £35 million.

The effect of the settlement on food prices will be minimal. In the UK, it is estimated at less than 0·5 per cent or less than one-tenth of 1 per cent on the cost of living in general. Nevertheless, the Consumers Associations attacked the agreement saying that there should have been no prices increases at all and that again the Ministers had failed to tackle the problem of surpluses. On this latter point, they are profoundly wrong. Almost unnoticed in the settlement was the confirmation of a new system of automatic price reductions in the most important sectors as the volume of production increases. In 1982 the Council set 'guarantee thresholds' for milk, cereals and oilseed rape; as actual production in 1982 exceeded these thresholds, the support price of milk was cut by 3 per cent, that of cereals and oilseed rape by 1 per cent. The system is a cumulative one and already it is forecast that the mechanism will cause the milk price to be cut by as much as 6 per cent in 1984. Computer predictions have shown, always assuming the system will be allowed to continue, that production will be restrained.

The future for Community agricultural price policy is looking increasingly problematic. COPA stands by its formulation of the 'Objective Method', which attempts to show by how much farm prices have to be adjusted each year in order to ensure that farm incomes keep pace with those in other sectors—one of the objectives of the Treaty of Rome. (This produced a figure of 7 per cent this year.) The Commission—citing its responsibility towards budgetary expenditure and the problem of surpluses—always pitches its proposals below the Objective Method. In future, the workings of the guarantee thresholds will pull down this figure even further. But the lower the rise in prices, the less room for manoeuvre will there be to reduce MCAs and, as the divergence between the weaker and stronger currencies shows no sign of abating, the more problems will arise in farm trade. Attempting to reconcile these contradictions will certainly exercise the Community's talents for compromise in the years ahead.

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TINPEC: IN OPEC'S FOOTSTEPS?

By now everybody has heard of OPEC, the Organization of Petroleum Exporting Countries; will the same be true of 'TINPEC' or to give it its more formal title, ATPC, the Association of Tin Producing Countries? The ATPC was born in London at the end of March this year when representatives of the world's major tin producing nations finally agreed to close ranks and set up a cartel. Is its objective to replicate what OPEC managed to do?

The accord was the culmination of months of deliberations but the ATPC has not had a particularly smooth genesis. There has been considerable disagreement over fundamental issues of philosophy: primarily the points at issue centred around voting rights and questions concerning output levels and buffer stock programmes. The three big South East Asian producers, viz., Malaysia, Indonesia and Thailand, have long disagreed over production quotas and the idea of another buffer stock programme, one of which is already in operation under the ITA, the International Tin Agreement.

The ATPC represents something of a compromise between the two largest producers, Malaysia, which produces about 35 per cent, and Indonesia, responsible for nearly 21 per cent of global output. It is understood that Malaysia decided to drop its earlier insistence that the pact should spell out in detail the economic provisions, and concurred with Indonesia's view that the ATPC should be complementing rather than duplicating the ITA. At the same time, the Republic of Indonesia agreed, after some hesitation, with Malaysia's suggestion that the agreement ought to be based on the notion that voting rights should reflect each member's tin output. Earlier, equal voting rights had been proposed in Jakarta. As a result of the accord on voting rights, Malaysia receives 35 per cent of the votes, Indonesia 21 per cent, Thailand 18 per cent and Bolivia 16 per cent. The other members are Australia, Nigeria and Zaire but these three countries combined are responsible for less than 27 per cent of the world's tin output.

The ATPC has to be ratified by a two-thirds majority which should give the three ASEAN members a strong position in the new pact. Bolivia, the fourth-ranking producer, is known to favour Malaysia's ideas regarding price-support measures additional to those operated by the International Tin Agreement. Malaysian officials contend that timing is also exceedingly critical and they cogently argue that the right time is now. While the tin market has been very buoyant in recent months with steady increases in tin prices, there remains the problem of large stocks. Difficulties over the latter are compounded, in the views of the tin producers, by US releases from the General Services Administration stockpile. The continued dilution of the market by releases from the GSA are a particular irritant to Malaysia which has seen its share of US tin imports plunge from around 24,000 tonnes to barely over 800 tonnes in the four-year period 1978–82.

World tin consumption has been falling over the last decade: global consumption which amounted to some 200,000 tons as recently as 1974 dropped

to 160,000 tons last year. Producers stress that ATPC has as its main purpos the safeguarding of the interests of the tin producing countries rather tha jacking up prices like OPEC. According to the Malaysian Primary Industrie Minister, Paul Leong, his country will ensure the ATPC protects '. . . the right of tin producing countries (if the) International Tin Council fails to protect th price of tin.' Leong noted that the ministerial meeting had agreed 'that th ATPC agreement be implemented as a matter of urgency in view of the curren tin situation'. It seems highly likely, however, that the continued protection o tin producers' interests will involve the activation of measures aimed a boosting tin prices.

A more difficult question to resolve is whether the new TINPEC coul emulate the 'success' of OPEC—in its earlier days—and push up tin prices? I remains open to doubt whether there is a sufficient community of interes among the members for effective cartelization. Cohesive discipline woul have to be maintained, and reduced employment in the tin industry tha could follow the imposition of supply restrictions might not be politicall acceptable. Tin is also very susceptible to substitution, particularly fron aluminium, steel and synthetics, and the existence of stockpiles in the big con suming countries would further impede the ATPC attempts to boost price above what would otherwise prevail. It should be borne in mind, too, tha reserves are available readily in the form of recyclable scrap and the lead tim necessary to develop new or alternative sources of supply is much less than i the case of a commodity like petroleum. As has subsequently been shown even OPEC's market leverage was of relatively short duration as its unilatera imposition of a 'New International Energy Order' induced conservation an the search for substitutes in the oil consuming nations. As regards tin, an short-term success at cartelization might even turn out to be counter productive for the ATPC since too high prices could well result in relatively in efficient tin producers entering world markets.

All seven members of TINPEC must be acutely aware of the pitfalls an problems faced by other attempts to establish producer cartels and the curren frictions and fissures affecting OPEC provide a salutary reminder. It thu seems unlikely that TINPEC is set to emulate OPEC.

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KARL MARX REAPPRAISED

IN Britain, where Karl Marx lived for more than thirty years and where he died, the contribution of 'Marxist' thought to the ideology of the labour movement, such as it is, is both problematic and politically contentious. In Germany, the influence of Marx on the tradition of German social democracy was more direct, and in the West German Federal Republic the Social Democratic Party (SPD) makes no bones about acknowledging it. It might be thought ironic that an official commemoration of the achievements of the author of the Communist Manifesto should take place in the Federal Republic at all. Nevertheless, a combination of SPD party loyalty, local and national patriotism, and international interest ensured that the centenary of Karl Marx's death on 14 March was handsomely celebrated in the town of his birth. Trier, the Augusta Treverorum of the Western Roman Empire, is today the seat of the provincial government of the Rhineland-Palatinate. The comfortable Baroque town house, in which Marx was born, has been restored and opened as a museum.

The Friedrich Ebert Foundation, a government-funded organization linked to the SPD, in conjunction with the German Commission of Unesco, had invited some 200 journalists, academics and political activists from 37 countries to take part in a three-day conference (14–16 March) to mark the centenary of Marx's death. The theme—'Karl Marx in Asia, Africa and Latin America'—was broad enough to allow both the historical academic approach adopted by some speakers, and a discussion of important contemporary issues of politics and development in the Third World.

The official speeches provided a clue about the conference's objectives. According to Walter Hesselbach, a leading banker and President of the Board of Trustees of the Friedrich Ebert Foundation, Karl Marx '. . . has a place among the great thinkers of the European enlightenment. . . He was a champion of a better, more humane world.' It was the Foundation's task to recall Marx's achievements 'as a great philosopher author and politician, and as a man'. Dr Bernhard Vogel, the Christian Democrat (CDU) Premier of the Rhineland-Palatinate and brother of the SPD leader Dr Hans-Jochen Vogel, stressed Marx's status as a German thinker, apparently taking a nationalist pride in the wide influence of his ideas in the contemporary world.

Chancellor Helmut Kohl, himself a former *Land* Premier, did much in that capacity to promote the work of the Karl-Marx-Haus in Trier. Dr Alois Mertes, Minister at the Foreign Office, brought the Chancellor's greetings to the conference and drew attention to this interest (which for a British Conservative politician might have been judged an eccentric one). Dr Mertes himself was more circumspect in the compliments he paid to Marx's greatness as a thinker, noting his 'fundamental errors' and the 'fateful consequences' of the work of this 'unique personality in human history'. Karl Marx had himself written 'I am not a Marxist', Dr Mertes recalled. No one could claim that any one variant or interpretation of Marxism was infallible. But an interest in Marx and Marxist ideas was important for the West German government, whose policy it

was '. . . to promote genuine non-alignment among the states of the Thirc World'.

Senegal's former President, Leopold Senghor, pointed to a stumbling block for African students of his generation when they had discovered the apparently 'racist' terms in which Marx referred to 'civilized' nations on the one hand, and 'barbarian or semi-barbarian' nations on the other—a term reserved by and large for the nations of black Africa. Marx's seeming insensitivity on this point had been counterbalanced by his and Engels's denunciation of the inhuman face of colonialism in Asia and Africa, even black Africa. And Senghor claimed (though others deny it), Marx's son-in-law, Paul Lafargue, had partial negro ancestry: that Marx could allow his daughter to marry him was evidence of a liberal outlook.

For Senghor, the core of Marx's influence on the development of socialism in Senegal lay not in his main writings but in a letter written two years before his death to the Russian populist Vera Zasulich, who had sought his opinion of Russia's rural communities. Did historical necessity require all societies to go through the same stages of capitalist development as Europe? Marx's reply, that the commune might be the starting point for social regeneration in Russia, had been taken as the key to a strategy of developing socialism through reform of the rural communes in Senegal. Senghor stressed the indigenous characteristics of African society and culture which favoured their development along socialist lines.

In a wider sense, the conference reflected the attraction for the developing countries of Asia and Africa of national 'ways to socialism', in which the demands of local conditions need not be constrained too closely by foreign models of political and economic development. In a vividly argued paper circulated in his absence, the Egyptian Professor Samir Amin (of the United Nations Institute for Training and Research in Dakar) dismissed contemporary Marxism in the West as academic, lacking the power to transform reality. The dynamic of Marxism had moved from the centre to the periphery; it was in Asia and Africa that Marxism now had its true vocation. The countries of these two continents would choose their own way of development, based on an alliance between the worker and the peasant. Professor Amin rejected any special authority for what he called the 'papacies of Communism'. But, in his view, the Maoist way was the only real way, and he unequivocally refuted the idea that the Soviet model ('revisionism') might have any value or validity for the countries of Asia or Africa.

The Soviet delegation did not rise to this challenge. But Professor Primakov, Director of the Institute for Orientalist Studies in Moscow, did react with some asperity to what he described as a tendency to make the discussions purely political. He had expected the conference to be devoted to the disinterested pursuit of Marxist science, as developed by Lenin. His colleague Professor Vigodski, member of the Institute of Marxism/Leninism in Moscow, had presented a paper in which he compared the economic prospects of those developing countries linked with the capitalist world market unfavourably

with the countries which had chosen a path of non-capitalist development. Professor Primakov reinforced this message with a recital of figures of Soviet technical assistance to countries such as Mozambique, Angola and Ethiopia, where he claimed the Soviet-supported model was indeed working.

It was a British participant, Professor André Frank of the University of East Anglia, who seemed to have provoked Professor Primakov's reproof. He had argued that the critique that Marxists apply to the Western capitalist system could profitably be directed to the socialist countries themselves. Soviet economists had failed to predict the present crisis in the world economy, at a time when the socialist countries had gone a long way towards linking their own economies with the West. They were encouraging increasing privatization and the penetration of market forces. The non-capitalist path was leading directly back to capitalism. Meanwhile Marxism was becoming a 'state religion'. There was talk of a 'crisis of faith' in Marxism today—a significant use of religious terminology. The fact was, Professor Frank said, that nationalist and religious forces were 'by far the most important social forces in the world today'.

The implied challenge, to provide a Marxist explanation of this phenomenon, was not taken up. In three days of discussion of the prospects and stategy of revolutionary movements in the Third World, Professor Frank's passing observation was almost the only reference to the most recent and dramatic of indigenous revolutionary movements in Asia, that of Ayatollah Khomeini in Iran.

The presence of both a Soviet and a Chinese delegation at the conference seemed an opportunity for academicians from the Communist world's two great ideological rivals to air some of the issues which divide not only their two countries but most of the Communist parties in the developing world. That the anticipated exchange of polemics did not take place became a matter for good-humoured congratulation. The two Chinese participants, Professor Song Susheng and Professor Rong Jingben, were inhibited for linguistic reasons from taking much part in the discussions. But in his paper on 'Karl Marx and China', Professor Song provided a perspective not only on the Chinese revolution but also on changes in China's economic policies since Mao's death. He argued that China's socialist revolution had 'succeeded in establishing the socialist system throughout the country in a relatively short time', making 'the ideal which Marx had pursued . . . a reality for the Chinese people'. But, he said, although they had had 'ample proof that the fundamental tenets of Marxism are immutable', such principles were not to be applied too rigidly. In explaining recent 'adjustments' to Chinese policy, Professor Song made clear that contemporary China is rejecting egalitarianism and stressing performance.

If the Chinese are reinterpreting for pragmatic and nationalist purposes the 'immutable' tenets of Marxism, a similar process of ideological adjustment was suggested by Professor Minoru Kitamura of Waseda University for Marxists in Japan. In a forthright intervention from the floor he called for a reinter-

pretation of Marxism in the light of Japan's highly developed capitalist economy. Leninism, he said, should be discarded in favour of a return to the Marxism of Marx. The Japanese should form their own equivalent of Eurocommunism. Socialism might be achieved under universal suffrage through a freely elected parliamentary majority; it was not inconsistent with plural parties and free elections.

In an earlier paper, Dr Anil Sen Gupta of the Indian Institute of Management in Calcutta, had hinted at the ways in which elected Marxist state governments in India have been obliged to make compromises in office, which were not necessarily in the interests of the workers. Contrary to Marx's prediction, industrialization had not yet destroyed caste affiliations and loyalties in Indian society; moreover, the urban working class retained roots in the rural areas where they appeared often in the guise of the oppressor instead of the oppressed. Professor Irfan Habib of the Aligarh Muslim University briefly noted in discussion the potential of 'united front' tactics for Indian Marxist parties seeking political power. But the wider implications of a plural system for Indian Marxism—or for Japanese Marxists as suggested by Professor Kitamura—was one of several fruitful themes that for lack of time remained unexplored.

The Trier conference posed more questions than it provided answers. While the Soviet Professor Primakov reasserted the validity and efficacy of Soviet Marxist/Leninist orthodoxy, Professor Claus Kernig of Trier University delivered a wide-ranging attack on Marxist methods and preconceptions. But the discussion was not all at an academic level. There were political activists from all three continents whose interventions, not reflected in this report, focused on the ideological and practical problems they faced in their own countries.

There was no attempt from the platform to draw together the various strands of the discussion or to formulate any conclusions. It would have been difficult to do so. There was, as has been indicated, a strong element of German nationalism in the idea of bringing together Marxists and non-Marxists from around the world to review the achievements of Karl Marx, the German philosopher. Perhaps the overriding impression left by the proceedings was of the diversity of national perspectives on the part of those who invoke the name of Karl Marx to characterize their historical viewpoint and political objectives. A hundred years after his death, the attraction of Marxist ways of thought and expression for intellectuals in the Third World is undeniable. But the picture is not one from which 'the papacies of Communism' could draw much comfort.

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Between Khomeini and Begin: the Arab dilemma

MOHAMMED AYOOB

TWO events not directly connected with each other, the Israeli invasion of Lebanon in June 1982 and impressive Iranian victories in the Gulf war a few weeks before the Israeli invasion, epitomize and symbolize the dilemma currently facing the Arab world—particularly its ruling élites. As Fouad Ajami has recently argued in a brilliantly written article, the Israeli invasion, although aimed in the first instance against the Palestine Liberation Organization (PLO) in Lebanon and against Palestinian aspirations in the occupied territories, has had an impact on the Arab world which goes much beyond these direct Israeli objectives. By demonstrating the near total impotence of Arab rulers—conservative and radical alike—it has made a crucial contribution towards the discrediting of the 'moderate Arab system' which had dominated Arab politics at least since the war of October 1973.[1]

Both Saudi Arabia and Egypt—the kingpins of this system despite Egypt's apparent isolation from the Arab world following its separate peace treaty with Israel—have been shown up to be paper tigers. Egypt, in spite of its treaty with Israel and its participation in the autonomy talks regarding the occupied territories as well as its economic and military links with the United States, was shown to be incapable of having even a marginal effect on Israeli policies and decisions. In fact, the critics of the separate peace, who had said that Israel wanted the treaty to neutralize Egypt, and, thereby, to get a free hand for its policies in the West Bank, Lebanon and elsewhere, were proved correct by the events of June 1982—barely six weeks after the completion of the Israeli withdrawal from Sinai.

Saudi Arabia, despite its presumed leverage with the United States because of its oil reserves, its pro-Western orientation, its security and military relationship with Washington, as well as its importance in American global strategy, was no more effective than Egypt in preventing Israeli moves into Lebanon or putting pressure through the United States to curb Israeli ambitions once the attack was launched. America's inability or unwillingness to influence Israeli actions and ambitions—particularly the latter which escalated during the course of the invasion—demonstrated Washington's lack of concern with the problem of the legitimacy of pro-Western regimes in the Arab world as well as the latter's lack of leverage with their super-power patron and ally. Nothing could have been more damaging to the credibility and legitimacy of the Saudi regime, both in terms of its own population and in terms of the larger

[1] Fouad Ajami, 'The shadows of hell', *Foreign Policy*, No. 48, Fall 1982.

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Arab world, than the studied indifference demonstrated by the Reagan Administration during the Israeli invasion of Lebanon and the bombing of Beirut.

What made the Saudi dilemma—and that of the 'moderate Arab system'—worse was that the Israeli invasion followed closely upon the heels of major Iranian victories in the Gulf war which all but cleared Iranian soil of the Iraqi invaders and, in fact, took the war into Iraqi territory. The Saudis and their friends in the Gulf have been subsidizing the Iraqi war effort to the tune of approximately US$1 billion per month[2] in an effort to ward off the greater of the two 'evils'—Islamic revolutionary Iran. But even such massive investment has failed to prevent Iraqi defeats in a war that Baghdad had launched with careful calculation and after first mending fences with Saudi Arabia and Jordan.[3] The Iranian counter-offensive from the east, undertaken for very different reasons, has complemented what Israel seems to be doing to the Arab system from the west.

In fact, in some ways, Khomeini's challenge to the 'moderate' Arab regimes is much more grave than the one they face from Begin, for it emerges from within the same Islamic cloak which the regimes of the Gulf—particularly Saudi Arabia—use to clothe their legitimacy.

While experts on Iranian polity and economy have told us, and rightly so, that the Islamic revolution of 1978–9 was the result of many political and economic factors ranging from the oppression of the Shah's regime and the near-total decimation of the secular opposition to the critical downturn in the Iranian economy in the last years of Pahlavi rule, the most important lesson of the Iranian experience for the Third World, for its Muslim component, and especially for Iran's Arab neighbours, lay in the fact that it demonstrated that a revolution—in both its internal and external dimensions, namely, the restructuring of the domestic order and rejection of foreign domination—could take place in authentically 'native' terms and without the help of external legitimizing agents or ideologies. This, one can reasonably expect, has had far-reaching effects on the ethos of the region, not only in the Gulf but the Middle East as a whole. Again, Fouad Ajami has summed up its impact on the Arab world very aptly:

> 'For the Arab world, the drama of Iran was the spectacle of men and women in the street making and remaking their own history. Win or lose, they were out there, demanding to be counted or heard. All the Arab élite's attempts to say that Iran's troubles were peculiar to that society and to point out the detailed (and legitimate) differences between their own countries and Iran were beside the point.'[4]

[2] Drew Middleton, 'Despite war cost, Iraq pushes development', *International Herald Tribune*, 29 November 1982.

[3] For details, see Adeed Dawisha, 'Iraq: the West's opportunity', *Foreign Policy*, No. 41, Winter 1980–1; also Bruce Haddy-Weitzman, 'The fragmentation of Arab politics: inter-Arab affairs since the Afghanistan invasion', *Orbis*, Vol. 25, No. 2, Summer 1981.

[4] Fouad Ajami, *The Arab Predicament* (Cambridge: Cambridge University Press, 1981), p. 181.

It is precisely the successful use of Islam as an ideology of protest that provides the essential relevance of the Iranian revolution to the majority of the people in the Muslim world, indeed of the Third World in general. The combination of authenticity, autonomy and radical social transformation is a very potent ideological mixture in a region where regimes either lack legitimacy or are themselves engaged in using some form of anti-status quo rhetoric to bolster their legitimacy.

Islam as a political force

The use of Islam as a political ideology, which can be distinguished analytically from Islam as a spiritual experience or a way of life, is not new. In some ways it can be traced back to the earliest times when the Prophet presided over the city-state of Medina that was to become the nucleus for the Arab-Islamic empire. The basis of solidarity, both for the city-state and later the empire, was provided by Islam and the concept of the *umma* (the community of believers). Since then Islam as an ideology has been used (and is capable of being used) both to preserve particular status quos and to attack or subvert them. However, until the nineteenth century—with the possible exception of Iran under the Safavid and Qajar rulers where the Shia Ulama, in Nikki Keddi's words, acted as the 'potential opposition' to the throne[5]—there had been few, if any, major manifestations of Islamic political activity for anti-status quo ends since the early years of Shia dissent during the Umayyad Caliphate.

Traditionally Sunni Islam had been politically quietist in character, with the religious establishment, often the handmaiden of temporal authorities, preferring order to justice. As Bernard Lewis has pointed out, although 'there is an Islamic doctrine of the duty to resist impious government, which in early times was of crucial historical significance,' by the time of the Abbasid consolidation of power in the second half of the eighth century A.D. 'a recurring theme in discussions of the duty of disobedience is the imperative need to avoid *fitna*—the term normally used for a movement which tends to disrupt the religious, social and political order.'[6] Order for its own sake came to be viewed as the ultimate good.

However, with the direct intrusion of Western power into the Muslim world from the early nineteenth century and the transformation of vast parts of *dar-ul-Islam* (the land of Islam) to colonial and semi-colonial status, the relationship between religion and politics in the Muslim world underwent qualitative change. Out of the interaction between European power and dominance on the one hand and Muslim subjugation on the other emerged an indigenous response which was best symbolized in the life and ideas of the nineteenth-century Pan-Islamic ideologue Jamal al-Din Afghani. This response was deter-

[5] Nikki Keddie, 'Religion and irreligion in early Iranian nationalism', *Comparative Studies in Society and History*, Vol. 4 (1961–2), p. 290.

[6] Bernard Lewis, 'Islamic concepts of revolution', in P. J. Vatikiotis (ed.), *Revolution in the Middle East* (London: George Allen and Unwin, 1972), pp. 33, 35.

mined in large measure by the two-pronged Western assault on Islam during the nineteenth century. The assault, according to Sylvia Haim, 'consisted, in the first place, of military attack on Muslim states or their political subjugation by different European powers, and, in the second place, of criticism of Islam as a system of beliefs and a way of life, a way of life that was belittled, ridiculed and made to seem backward and barbaric in comparision with the achievements of Western learning, philosophy and technical advance.'[7] It was to this twin-pronged attack that Afghani was responding and it is no wonder, therefore, that in his ideas we find a combination of what Keddie has called 'aggressive cultural defensiveness' and 'nationalist pride'.[8]

For Afghani the ends towards which his endeavours were directed were largely secular in character—anti-imperialism, self-strengthening reform etc. —but his use of Islam as the mainspring for solidarity, as the bed-rock on which the self-strengthening process could be built, gave the whole exercise its Islamic character. In this context, it is interesting to note that while Afghani's name has been identified with Pan-Islam, he was no opponent of nationalism in the Muslim world as long as it was directed towards anti-colonial ends. For him, Pan-Islam and nationalism were two sides of the same coin.

The essential similarity of Afghani's political ideas with those of Ayatollah Khomeini, particularly with the political dimension of Khomeinism, and with other recent manifestations of radical Islamic political activity is evident. Both the earlier (Afghani) and later (Khomeini) manifestations of this search for autonomy can be seen

> 'more as political than spiritual reactions against Western imperialism and control in Muslim lands: in the 1880s, following Russian, British and French conquests, and today following frustrations about internal weaknesses, Western strength and Israel, seen as a Western colonial enclave. Both tend to idealize Islam by going "back to the sources", particularly the Quran, and reinterpreting them.'[9]

The differences between Afghani and Khomeini, and the phenomena they repectively represent, can be explained by the different historical and social contexts in which their ideas have been propounded and their activities undertaken. But essentially the quest—from Afghani to Khomeini—has remained the same: to order one's own national life, in all its aspects, political, economic and cultural, without dictation from outside.

Khomeini's appeal

It is no wonder, therefore, that the appeal of the Islamic Revolution in Iran has transcended geographic and political boundaries, particularly as far as the

[7] Sylvia G. Haim, 'Introduction', in Sylvia G. Haim (ed.), *Arab Nationalism: An Anthology* (Berkeley: University of California Press, 1974 edition), p. 6.

[8] Nikki Keddie, *An Islamic Response to Imperialism* (Berkeley: University of California Press, 1968), p. 96.

[9] Nikki Keddie, *Roots of Revolution* (New Haven: Yale University Press, 1981), p. 188.

mass of the people are concerned. In this sense, Khomeini's appeal in th Muslim world in the 1980s parallels that of Nasser in the 1950s and the earl 1960s and for the same reason: like Nasser, he has become the symbol of th reassertion of the dignity of Muslim peoples. While some of the excesses an the in-fighting of the revolutionary process may be deplored and while th popularity of the revolutionary regime may have been eroded as a result of it inability to find adequate answers to Iran's economic problems, the fund o sympathy at the popular level for the Iranian Revolution—particularly fo its political rather than exclusively religious dimension—is still consider able; and, what is more, this sympathy transcends the traditional Sunni-Shi divide.

The seriousness with which Khomeini's word is taken in the Muslim worl was demonstrated in November 1979 when, following the Grand Mosque in cident in Mecca, the Iranian Radio broadcast a statement blaming th Americans and the Israelis for this violation of the *Kaabah*'s sanctity. This se off a wave of anti-American rioting in the Muslim world culminating in th burning down of the American embassy in Islamabad, at a time when th Pakistani rulers were assiduously courting the US government for major arm supplies. The Khomeini phenomenon, as this incident demonstrated, derive a substantial part of its popularity from a high degree of anti-Westernism, par ticularly anti-Americanism, in a political sense at the mass level in the Muslin world which is scarcely below the surface.

A major reason for this anti-American feeling is related to the US suppor for Israel in the latter's continuing effort to deny the Palestinians a homeland Without going into details of the Arab-Israeli conflict, it would suffice to sa that in the Muslim, and particularly the Arab, world Israel is considered th product of an European ideology (Zionism) and a settler-colonial state becaus of its European origin and its predominantly European ethos and becaus Jewish settlement in Palestine took place under the British mandate American policy since 1967, which is perceived as underwriting not merel Israeli *security* but Israeli *expansionism* as well, adds greater salience to this im age of a hostile West (particularly the US) out to undermine every Muslim (o Arab) expression of political autonomy. This image of the United States ha been augmented by its failure to stop Jewish settlement in the West Bank a well as its role in the invasion of Lebanon. As one observer has pointed out 'the Lebanese war, in Arab eyes, showed the United States, at worst, as Israel' co-conspirator, at best, as indifferent or impotent.'[10]

To this aspect of the appeal of 'political Khomeinism' is added the furthe factor of its capacity for mass mobilization and the fact that it symbolize popular revolt against a tyrannical order underwritten by a super-power. Kho meinism drew its major appeal from its ability to present Islam in politica terms as the 'refuge of the dispossessed'.

It is by a continuation of the same strategy which appeals to that strata o

[10] Philip Geyelin, 'US, Egypt are seeing the point', *International Herald Tribune*, 25 Januar 1983.

society that provided the foot-soldiers for the revolution in 1978–9 that the regime continues to stay in power and draw its legitimacy. It is no wonder, therefore, that the dialectical relationship between the class of *mustazafin* (the oppressed, the dispossessed) and the *mustakbirin* (the oppressors)—both words borrowed from the Quranic vocabulary but corresponding closely to the Marxist formulation of the relationship between the proletariat and the bourgeoisie—has been the major contribution of the Iranian revolution to Islamic political theory.

Last but not least, its 'authenticity' as an indigeneous ideology adds tremendously to its appeal. It is an ideology which, while reactive to the phenomenon of Western domination, does not formulate its response in terms borrowed from Western ideological frameworks either of the liberal-capitalist or the Marxist-socialist variety. What Bernard Lewis had stated with regard to Islamic movements in general, applies to the Khomeinist ideology with particular force. According to Lewis,

> 'Of all the great movements that have shaken the Middle East during the last century and a half, the Islamic movements alone are authentically Middle Eastern in inspiration. Liberalism and fascism, patriotism and nationalism, communism and socialism, are all European in origin, however much transformed by Middle Eastern disciples. The religious orders alone spring from the native soil, and express the passions of the submerged masses of the population. Though they have all, so far, been defeated [this was written before Iran], they have not spoken their last word.'[11]

At a time when imported models of political and economic systems have been tried and found wanting, the appeal of the indigenous, authentic model is enhanced. This appeal is further augmented because of the lack of legitimacy and popular identification from which most governments in the Muslim world suffer today. In short, in most Muslim, particularly Arab, countries, 'the basic rightness of leaders, regimes and political systems is not widely and deeply accepted.'[12] Since most of these regimes draw upon non-Islamic ideologies for their legitimacy, e.g., Baath socialism in Iraq and Syria (of the Takriti and Alawite varieties respectively), or have appropriated Islam and turned it into an official, establishment ideology (without popular content), e.g., Saudi Arabia and Pakistan, revolutionary Islam as a movement of protest has great potential for popular mobilization in these countries—a lesson driven home by the Iranian example.

This is particularly true of the Arab world where the crisis of legitimacy for regimes has been made very acute as a result of the continuing conflict with Israel and the inability of Arab regimes to bring this conflict to a successful con-

[11] Bernard Lewis, *The Middle East and the West* (London: Weidenfeld and Nicolson, 1968 edition), p. 114.

[12] Michael C. Hudson, 'Islam and political development', in John L. Esposito (ed.), *Islam and Development* (Syracuse: Syracuse University Press, 1980), p. 12.

clusion. The Israeli invasion of Lebanon, the enforced withdrawal of the Pales tinian fighters from Beirut and the subsequent massacre of non-combatan Palestinian men, women and children by assorted Christian militia in an are under Israeli military occupation, clearly demonstrated the impotence of con servative as well as radical Arab regimes to meet this challenge from a sourc considered a Western surrogate. This impotence, above all, was demonstrate to the population in the Arab countries themselves, and the point must hav been driven home that there was something so radically wrong about the poli tical structures over which these regimes preside that it prevented their com bined potential strength—in demographic and economic terms—from bein translated into actual political and military capabilities.

This demonstration of impotence, coming as it does not merely in the con text of the Iranian expulsion of the Iraqi invading armies, but also against th backdrop of the bloody uprising against the Assad regime in Hama stage by the Muslim Brotherhood, the assassination of Sadat in October 1981 b Muslim 'fundamentalists' in Egypt (they termed it 'execution'), and above al the capture of the Grand Mosque in Mecca in 1979 by another group of Muslin 'fundamentalists', is a sharp reminder of the internal as well as the externa weaknesses of the Arab regimes.[13]

The issue of regime legitimacy of the 'moderate' Arab regimes and th question of Palestine are intimately connected with each other.[14] The lat ter issue is as important as the former—because the Israeli military successe against Nasser's Egypt (the leader of Pan-Arab nationalism) and recentl against the PLO (the symbol of Palestinian nationalism) must have led man in the Arab world to conclude that exclusively, or even primarily, secula nationalist ideologies are incapable of mobilizing the resources of the Aral world for a successful struggle against Israel.

The only alternative yet to be tried in the Arab world is radical, politicize Islam. Moreover, despite the picture that may have been painted by recen apologists of Arab nationalism influenced as they have been by the form rathe than the content of European nationalisms, there is no basic contradiction be tween Islam and Arabism. Viewed in the historical context, it is clear that is wa Islam that made the Arabs great and vice-versa. In fact, it was Islam that gav solidarity to the Arab tribes of the peninsula on which their initial victorie were based and which laid the foundations of the great Arab-Islamic civiliza tion that flourished for centuries. Thus, according to Zeine, 'The Arab nation *al-Ummah al-'Arabiyyah*, was . . . a nation originally born out of Islam. Islar was the prime creator of the national life and political unity to the Muslin

[13] For a perceptive discussion of the weaknesses of the Saudi regime, see Arnold Hottinger 'Political institutions in Saudi Arabia, Kuwait and Bahrain', in Shahram Chubin (ed.), *Securit in the Persian Gulf: Domestic Political Factors* (London: International Institute for Strategi Studies, 1981).

[14] For details, see John K. Cooley, 'Iran, the Palestinians and the Gulf', *Foreign Affairs*, Vol 57, No. 5, Summer 1979; also Mohammed Ayoob, 'Oil, Arabism and Islam: the Persian Gulf i world politics', in Mohammed Ayoob (ed.), *The Middle East in World Politics* (London: Croon Helm, 1981).

Arabs. This "religious nationalism" remains an indelible part of the hearts and minds of Arabs.'[15]

In the nineteenth century when the concept of the Arab *umma* was in the process of evolving out of the womb of the Islamic *umma*, most ideologues of Arab nationalism stressed the intimate links between the two. In fact, Al-Kawakibi (1849–1902), who, according to Sylvia Haim, 'may be considered as the first true intellectual precursor of modern secular pan-Arabism',[16] while attacking the Ottoman empire based his arguments on the assertion that, because of its tyranny, it was unfit to preserve Islam and that Islamic regeneration should be the work of the Arabs who should supply a caliph, residing in Mecca, to be the spiritual head of an Islamic union. It was in that context that Al-Kawakibi provided a list of twenty-six reasons to demonstrate the superiority of the Arabs over other Muslims and to justify why the caliphate should devolve upon them.[17] Even the Christian Arab ideologues of secular Arab nationalism, like Qustantin Zuraiq, Nabih Amin Fairs and Michel Aflaq, unequivocally propounded the view that Islam is inseparable from Arab nationalism, although Aflaq went to the extent of explicitly representing Islam 'not as a divine revelation but in part as a response to Arab needs at the time of Muhammad and in part as a foundation of Arabism'.[18]

As far as the Arab-Muslim masses are concerned—and in an era of increasing mass mobilization it is the masses that will count increasingly—the two terms, Islam and Arabism, are virtually indistinguishable. The attempts over the last century by the Christians of Mount Lebanon to opt out of the mainstream of Arabism (or Arab nationalism)—a trend symbolized currently by the late Bashir Gemayel and his Phalange—and their more recent co-operation with Israel further augments this identification of Arabism with Islam in the popular Arab mind. The Phalange have seen to it that the Christian Arab minority will for a long time to come remain largely irrelevant to the development of an Arab ideological response to the problems facing the Arab world today.

Demonstration effects of Zionism and Islam

The linkage between Arabism and Islam has, if anything, been strengthened by the examples of Zionist and Israeli successes. Nineteenth-century Zionism was essentially politicized Judaism, with its energies primarily directed towards secular ends. The parallel with Afghani's attempts to use Islam for similar purposes during the same period is both interesting and instructive as are the reasons for Zionist successes and Muslim-Arab failures. In a well-written article, Shlomo Avineri convincingly argues the point that the success of Jewish nationalism was based on the fact that it 'was relatively suc-

[15] Zeine N. Zeine, *The Emergence of Arab Nationalism* (Delmar, N. Y.: Caravan Books, third ed., 1973), pp. 130–1.

[16] Sylvia Haim, *op, cit.*, p. 27.

[17] For details, see Abd al-Rahman al-Kawakibi, 'The excellences of the Arabs', *ibid.*, pp. 78–80.

[18] *ibid.*, p. 62.

cessful in imbuing its ideology and praxis with a vision of social transformation'. On the other hand, Arab nationalism (and one could extend the argument to include other forms of Muslim responses to the European challenge in the Middle East) 'remained mainly political and by ignoring the social dimension was unable to achieve a degree of social cohesion comparable to the one achieved in the social structures of Israel'.[19] In this context, the importance of the Iranian Revolution for the Muslim world increases tenfold. It is possibly the first political movement in the Muslim world that has attempted to undertake social transformation on a large scale.

The post-1948 military successes of Israel, its ability to construct a modern state and master advanced technology, have further enhanced the demonstration effect of the Zionist-Israeli experience. One major lesson drawn in the Arab world from the Israeli example is that its military and political successes are based on its capacity to create solidarity based on religious nationalism. Therefore, the obvious question posed is: Cannot one beat Israel at its own game? If this religious nationalism of three million Jews in Israel (backed by a few million elsewhere) can achieve such miracles, why can an Arab-Islamic religious nationalism with its vastly superior demographic resources not achieve similar ends? As Fouad Ajami has pointed out,

> 'The principal lesson that the religiously inclined Arabs drew from Israel's victory was that people can both go to the laboratory and worship. Israel combined what an entire generation of liberals and secularists had assumed to be incompatible things. It was both more religious and more scientific than the Arab states. Israel had demolished the easy superficial distinction that the scientific state is built on the debris of an extinguished religion.'[20]

The Israeli success in the invasion of Lebanon and the inability of Arab regimes—whether of the Left or Right—to mount any counter-challenge to Israeli supremacy in the region have reinforced this demonstration effect of the Israeli experience.

Therefore, the Arab world, and particularly the dominant order therein, are likely to be under increasing and parallel, if not actually complementary, pressure both from Khomeini's Iran and from Begin's Israel to try to achieve temporal—political and military—success on the basis of a solidarity founded on politicized religion and mass participation and mobilization. It is this dual pressure that will to a large extent determine the contours of the dominant ideology in the Arab world in the 1980s and the 1990s. Given the intensity of the pressures and the inherent weaknesses of the currently dominant order in the Arab world, it seems that the present equilibrium in the Arab world can be preserved for any length of time only by a miracle. For both the

[19] Shlomo Avineri, 'Political and social aspects of Israeli and Arab nationalism', in Eugene Kamenka (ed.), *Nationalism: The Nature and Evolution of an Idea* (London: Edward Arnolds, 1976), p. 11.

[20] Fouad Ajami, *The Arab Predicament*, *op. cit.*, p. 70.

challenges—from Begin's Israel on the one hand, and Khomeini's Iran on the other—seem to be inexorably pushing the Arab world (at least the Arab East and Egypt) into an era where a radical, populist Islamic ideology (which would subsume within it the essential features of populist Arab nationalism) would become the dominant political trend and the norm according to which other political tendencies are judged—just as from the mid-1950s to the mid-1960s Nasser's pan-Arab ideals were used as the norm by which other Arab potentates were assessed.

Is China unbending?

DENNIS DUNCANSON

SINCE Teng Hsaio-ping returned to power in China four or five years ago, it has been generally agreed abroad that the Communist Party has been turning a friendlier face to the outside world than in the days of Mao Tse-tung's dictatorship and at the same time relaxing the constraints on the masses' lives at home. But is the China of 1983 really in process of unbending (in one sense of the word), or is the regime as unbending as ever (in the other, opposite, sense)? The very framing of the question in this way brings out the ambiguity of the evidence, not only for us, but also for the classes of Chinese people who suffered in the Mao era, when persecution, and fear of it, was the chief instrument of statecraft. And who knows?—perhaps ambiguity is in the minds of Party leaders themselves. Nor is it likely that the trend is genuine in foreign relations but deceptive at home, or the other way round, for it would be out of character, and inconsistent with dogma, for a Communist party to draw any distinction between political attitudes and policies on the two fronts: under Mao, 'the general line' embraced the extreme class warfare of the Great Proletarian-Culture Revolution and the promotion of guerrilla war ('national liberation') overseas in a single 'Great Polemic' against Khrushchev.

The Chinese leaders have long appeared to be in a quandary whether to reward economic performance—which corresponded to the 'spontaneity' urged by Marx—or to tighten social control—which corresponded to the 'voluntarism' urged by Lenin—as the better way of maximizing the 'surplus value' from the masses' labour that would accrue to the Party. To some extent, the contrast of policies coincides with the contrast between planned and free-market economies in other parts of the world, but Mao's men expressed it as a conflict between the quality of 'expertness' and the quality of 'redness' in the

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behaviour of Party cadres. His dialectical mode of thought not only found outlets in the alternation of pro-'red' and pro-'expert' campaigns devised to shape the social revolution inside China, but it has also come out in foreign policy, as the alternation of enthusiasms for normal state-to-state diplomatic ties and for subversive party-to-party links. It underlay one aspect of the Sino-Soviet dispute: Russian technical assistance to China called for a higher standard of professional and administrative competence than the recipient could muster—a realization that cast doubt on whether China would ever catch up with Russia or Mao ever succeed Stalin as leader of the Communist world; and it affects no less the Taiwan question and the insistence on retrocession of Hong Kong, in both of which issues Teng Hsiao-ping and his subordinates acknowledge a conflict of interest between 'prosperity' and 'sovereignty'.

Although the jargon the Party employs when talking about all these questions is Marxist-Leninist, there is no denying the reality of the experience the jargon expresses: when given a free hand, Chinese industrial managers have snapped their fingers at the Party, whereas Party idealists put in charge have cramped productivity; efficient and helpful Russian technicians did tend, however involuntarily, to lay down their own patronage network in competition with the Chinese Party's 'democratic centralism'; the economic miracle of Taiwan does discredit the Party's dictatorship on the mainland; and the more Hong Kong flourishes, and the more 'surplus value' it yields for the Party to tap, the more its colonial status stains China's image in the Third World. Today, the hesitations and contradictions discernible in policy, taken with the ambiguity of evidence we have to consider, together indicate that the Party is still not sure which road will lead it out of a quandary probably inseparable from its character as a Leninist Party.

Economic management—'market socialism'

Owing much before its seizure of power in 1949 to inflation, which it had made worse by skilful economic warfare, the Party for thirty years determinedly fended the evil off from its own regime by measures against 'economism' (i.e. reliance on incentives), keeping wages constant and peasant earnings down to subsistence. At risk of inflation, wages have been raised now; but they are still fixed, and workers are still tied to allotted workplaces, with no freedom to bargain. Peasant families now plan their own tillage of private and collective plots; but there is no market in, or inheritence of, arable land. Under Mao, workers and peasants alike had only collective identity, receiving rations and social services through factory or commune; the latest (fourth) state Constitution (1982) abolishes the communes and, as an explicit liberalization, restores the old territorial administration, through whose departments the government will deal with individuals—even levy some personal, instead of only collective, taxes. And yet, in contradiction, the government's chief sanction for enforcing population control is, somehow or other, the docking at source of the emoluments of any earner who begets more than one surviving child—a sanction which has had an incidental consequence of encouraging

the endemic abuse of female infanticide and, through Western eyes, must therefore look doubly illiberal.

Private enterprise no longer amounts of itself to 'capitalist-roading', nor employment of others' labour necessarily to 'exploitation'; but neither may be practised at variance with state planning—that is, by enticing workers with higher wages. Certain state enterprises now have 'shareholders'; but those are mere bondholders, without a say in management. Although state and collective enterprises are henceforward to be judged on profitability and market demand, managers have been warned that 'profit' is narrowly reckonable as yield from *extra* efficiency or effort, over and above the 'tax' and the 'surplus value' the state has already been drawing from them in the past.[1] Once again, the liberalization implied by 'market socialism' is as ambiguous as its name—not so much a plural economy as the wishful thought of having things both ways.

'Regularization'

'Regularization' was the hallmark of Hua Kuo-feng's call for 'Great Order across the Land' when, at the death of Mao, he swooped on leading 'reds'; Teng has kept to it. It means substituting state institutions that work to the rule book for arbitrary decision and action on the part of the 39 million Party card-carriers who hitherto have told everybody what to do. According to *People's Daily*, the new Constitution is meant to subordinate the Party itself to rule of law, for the first time: for too long, the complaint runs, the Party has overridden the state in ruling the country. And yet, when reporting the spread of usury now that there is more money in circulation in the countryside, Radio Changsha appeals *to the Party* to stamp it out.[2] Basic codes of law enacted to fill the gap left by repeal of Chiang Kai-shek's codes with the advent of the revolution ostensibly restore personal rights against arbitrary Party action; but there are still no provisions for appeal against wrongful action by either state or Party organs, 'reversal of (outrageous Maoist) verdicts' is still capricious, and several cases of secret arrest and trial have leaked out in the last few months. There is no recourse to law over the army's requisition of people's houses or over rights of those so-called 'shareholders'. On the other hand, reintroduction of safety rules at workplaces, after the Tangshan earthquake and other pit disasters, probably has been an unmixed relief from a Party hitherto concerned only to boost statistics of production.

A steady supply of professionals trained to definite standards is indispensable for technical development; a whole generation was lost in tertiary education during the 'years of disaster', and even the young people who did get training before and after the years of closure were often issued with diplomas they had not qualified for personally. Post-Mao reforms promised that admission to tertiary institutes (demand for places at which is twenty or thirty times the supply) would be more honestly based on qualifications from secondary

[1] *Economic Daily* (Peking), 30 March 1983: *BBC, Summary of World Broadcasts* (hereafter SWB), FE/7299.

[2] SWB, FE/7201 and 7286.

schools; yet this year's entrants have been warned that some of the best qualified must expect to be rejected in favour of others who have given better evidence of a reliable political attitude.[3] The average Chinese student must feel that there has been improvement since the days when understanding of Marxism-Leninism and the Party line was the sole criterion of intellectual worth, but that his fate is still a matter of luck with the subjective estimation of 'reds' in charge, not 'experts'; and for all that the Politburo say intellectuals must be encouraged because the country depends on them, he can hardly miss the admissions in the same breath that cadres on the spot—jealous perhaps—often frustrate that policy.[4]

It is evident that the leaders are in a quandary how to relax arbitrary rule and get the best effort out of the masses without relinquishing the firm hand on which the security of their leadership from challenge rests.

Teaching what to think—'spiritual materialism'

The most perplexing ambiguity arises in the sphere of ideas, and that is the one which it is admitted gives people in China greatest cause for 'lingering fear' after the persecutions when Mao Thought was in the ascendant. In the first place, Mao Thought failed in its promoter's social-Michurinist object of remoulding the national character and breeding the Socialist Man by environmental conditioning: not only has liberalization given rein to recrudescence of 'superstition' (organized religion classed with fortune-telling and spirit mediumship), to crimes of violence and to corruption, but it turns out that the last-named has been rampant all along. A specially striking mischief disclosed recently is the levying of unauthorized dues on shipping, collectively or publicly operated, on the lower Yangtze and its tributaries, reach by reach, by local Party bosses; as long ago as 1926, the avowed inability of the Chinese government of the day to check this very scourge was the reason why the Powers refused (in relaxation of the 'unequal treaties') to concede tariff automony at the long-drawn-out Peking Tariff Conference.

There has been a marked retreat from discredited extremes of Mao Thought, but neither so abrupt nor so radical as destalinization in the USSR; in the Chinese Party history, Mao combined the rôles of both Lenin and Stalin, and it is, at bottom, upon Mao Thought that the present leaders' legitimacy is based. The paradox is that, at least among intellectuals, Mao began to be discredited in the 1950s: claims during the Great Leap Forward that 'the era of Mao Tse-tung is bringing heaven on earth' were followed within months by economic catrastrophe, so that the would-be world 'helmsman' had to give up control of the state for a time. Again, the pretence—justifying portrayal of Mao as successor to Stalin in the international movement—that his *Philosophical Essays* dated from the 1930s and not the 1950s, when they were first published, must have been seen through far outside the circle of Politburo comrades in the know; his attempts soon afterwards to harness Einsteinian

[3] New China News Agency (NCNA) (in Chinese), 16 March 1983.
[4] *ibid.*, 2 December 1982.

physics for rationalization of his impending struggle for dictatorship in the Cultural Revolution was transparent to the Chinese physicists he required to act up to it.[5] However, as in the USSR with Stalin (still honoured by the Chinese Party), it was the unfairness and the brutality of the Cultural Revolution more than its intolerant claptrap or even its inefficiency which, once the dictator was dead, roused popular hopes for 'revision'. How much of Mao Thought really has gone by the board in the new formula, 'take Marxism-Leninism-Mao-Thought as guide to action but abandon the erroneous Left theses', lies at the core of the enigma.

The ideological easement affecting the bigger number of people is the ending of the demonstrations everybody had to attend on their days off and of the political meetings which ten years ago interrupted their work every day, five years ago once a week, and now seem to have lapsed altogether. There is nothing ambiguous about that improvement of life, but there is about scope for self-expression. The 'big-character posters' (democracy walls), used less in the past against the Party than by the Party, were 'wiped clean' four years ago and their chief protagonist sent to prison. Those Cheshire cats, the eight minority political parties, always summonable to lend a façade to the Party's 'united front', faded from view during Mao's last years; they get mentioned again more often under Teng—especially to make appeals to the Taiwanese to 'reunite'—but there is still no question of their urging their own policies or harbouring their own political ideas; their meetings announced for this year will, it is said, be for them 'to revise their constitutions and elect new committees in furtherance of the modernization drive'.[6] But they always have enjoyed freedom to conform.

As with political parties, so with religion: churches, mosques and pagodas shut under Mao, where not destroyed outright by the Red Guards, have been allowed to reopen in compliance with popular feeling; but the faithful are not permitted intercourse with coreligionists in the outside world, and their pious devotions are subordinated to expressions of loyalty to the state. Religion, if not a rival power to the Party, is an impermissible rival moral authority. The intellectuals as a class present a less docile face, and it is no secret that thousands still find they have a fight on their hands for reinstatement after the Cultural Revolution. Artistic and literary creativeness presents Teng with an old problem: Mao was no doubt right when in 1943 he asserted that the Party could not keep its grip on ideas unless artists and writers confined self-expression to the practical dictates of its monopoly, so that, after victory, even novelists who had supported the Party's rise to power were soon sent to prison or driven to suicide. Most media of art were stifled, and the recovery now of long-closed studios and art schools cannot be easy; no such problems attend the art of writing, but, though for a time it seemed that fiction might be allowed to 'bloom' again, the Politburo is playing safe after all, and the 1943 principle

[5] Edward Friedman, 'Einstein and Mao: metaphors of revolution', *China Quarterly*, No. 93 (March 1983).

[6] NCNA (in English), 27 March 1983.

has been reasserted several times. Many would-be authors must be asking themselves how to give effect to the Party's latest 'unity-of-opposites', the slogan of a 'socialist spiritual civilization of scientific materialism'.

External relations—'patriotic internationalism'

China's Cold-War policy concentrated on Leninist 'national liberation' as a concomitant of revolution at home—a preference, whether cause or effect of ostracism after the Korean War, for party-to-party subversion over state-to-state diplomacy. Both the inaugural Chinese address to the UN General Assembly (1971) and the Sino-American communiqué (1972) declared the Chinese intention to go on fomenting 'national liberation' round the world, but subversion has become a less and less important instrument of foreign policy as Peking has lost the torch of 'freedom-fighting' to the USSR—direct or through Vietnam, Cuba etc. 'National liberation' finally gave place in the statement of the Party's new Chairman at the XIIth Congress in 1982 to 'patriotic internationalism'; support for South-East Asian guerrillas has all but stopped. Having similarly lost to Russian clients the original (1955) pre-eminence within what has become the Non-aligned Movement, Peking today cultivates bilateral relations among Third-World countries with comparatively little ideological purpose but often commercial interest—for example, with the Arab states. Bilateral relations with what Mao classed 'second world' countries (the middle powers) are, in 1983, likewise free from ideological tension and conducted wholly for practical, almost day-to-day, objects. Along the central Asian frontier, there has been no abatement of military tension, notwithstanding the Moscow talks last year, but the polemic with the Russian Party seems to be ended; denouncing 'hegemonism', Peking is trying to bilateralize its relations with individual members of the Warsaw Pact.

China's 'internationalism' has therefore ceased to be strident 'proletarian internationalism' and, instead, comprises the normal practice of diplomacy, though free of the ententes which a country smaller than China might seek under that aegis. (Who indeed, one might ask, would join an entente with China these days?) Yet this could be a case of *reculer pour mieux sauter*, for a handful of irredentist claims are legible between the lines: China's zealous co-operation in the Law of the Sea Conference, for example, is linked to vindication of its own exploitation of off-shore resources and its published claims to sovereignty over most of the South China Sea. 'Patriotic' is as full of coded meaning as is 'international': it tells the cadres that foreign policy is now harnessed to the Party's two overriding domestic aims, first, to procure from the 'second world' the technology which, whoever's was the fault, has not been procurable from 'fraternal' countries, and, second, to repossess Taiwan and Hong Kong (with Macau). The two aims are closely connected and appear to have been governing Peking's attitude to both the United States and Britain and, in some degree, Japan; the linkage gives our opening conundrum its furthest-reaching implications.

Reunification—'sovereignty with prosperity'

The problem of keeping up with technical development has, except for short intervals like the Mao dictatorship, dominated China's foreign policy for 150 years; the difficulty has been a subtle one—that China, unlike Japan, might buy technology all right but always failed to enter the stream of development itself. From the outset, the Imperial Court feared social disruption from political ideas associated with foreign methods; they bottled foreigners up in as few treaty ports and concessions as they could satisfy the Powers with. When, after 1900, they gave in to their 'experts' and proclaimed a constitutional monarchy, that hastened the collapse of the Empire. Concessions and treaty ports gone, Mao continued to share their fear, but his persecution of his 'experts' had disastrous results of another kind. His successors, too, face the old quandary: for instance, having relaxed control over movement of people and goods across the Hong Kong–Kwangtung frontier, they have had to order dismantling of aerials able to pick up 'corrupting' Hong Kong television on imported sets.

A legal framework has been drawn up to facilitate foreign firms' operations inside China, but we have yet to see how the Party's courts will handle disputes, for instance, over foreigners' taxes. Another remedy has been to set up 'special administrative zones' at or near the old treaty ports; the biggest is at Shenchen beside Hong Kong. 'Special administrative zone' was the name adopted fifty-odd years ago for foreign concessions which, retroceded to China, were left with their earlier municipal autonomy in order to allay foreign anxieties over Chinese judicial practice; the former government's aim was, as usual, to get the advantages of foreign capital and technology without surrendering political control. The Japanese invasion ended the experiment, but Peking appears to be repeating it—in name if not full substance.

Furthermore, if the formula can be shown to work to the advantage of investors, it holds some promise of a new regime to which Taiwan and Hong Kong might be assimilated. Patently, both those territories are huge earners of the foreign exchange it is now conceded the socialist economy at home cannot earn; they have entered the stream of development, and, however 'corrupting'—for how could their vastly higher standard of living not arouse discontent on the mainland?—they are 'patriotic' Chinese; they might therefore furnish at last the elusive key to modernization. Repossesion of Taiwan was one of the principal purposes, before Mao died, behind easing tension with the United States, and American refusal subsequently to abandon the Taiwanese, just when Peking was offering the latter 'administrative autonomy' under its 'sovereignty', has caused some revival of tension. Less obviously than the US, Japan, former colonial ruler of Taiwan who encouraged its independence from the mainland, has had the same experience with the Chinese government, and no other power has been allowed to open an embassy in Peking unless it recognized Communist sovereignty over Taiwan.

Most Taiwanese were born outside the mainland, and they still have armed forces to back up their scepticism of 'administrative autonomy'. Hong Kong

people, all of whom are there because they do not want to be in China, are given no choice who is to rule them; however, the Party does have to take account of the foreign investors, including the Overseas Chinese. In order to mollify investors, while demanding absolute 'sovereignty'—not a Chinese concept, and consequently undefined, but clearly meant to signify unanswerability—the Party promises to maintain 'the capitalist system' which has brought the 'prosperity' about; a spokesman who, too outspoken, said the other day that 'sovereignty' came first and must not be jeopardized for the sake of 'prosperity', was recalled to Peking. There is something implausible about a Communist party managing the British judicial and financial regimes and maintaining the right political atmosphere to inspire foreign confidence; whether Teng Hsiao-ping is presenting a gentler face to the world as a mere tactic or from genuine change of heart, few people in Taiwan or Hong Kong would trust the Chinese Communist Party, once its flag had been hoisted, not to interfere 'sovereignly' or treat the 'prosperity' as a plunderable asset, whatever the prior undertakings.

There is still no knowing whether, or which way, China is unbending.

Greenland's way out of the European Community

OVE JOHANSEN and CARSTEN LEHMANN SØRENSEN

HISTORY made Greenland a Danish colony until 1953 when Greenland formed an integral part of the Kingdom of Denmark. This status lasted until Greenland was given home rule in 1979 with respect to most domestic affairs.[1] The economy of Greenland is strongly dependent on fishing and manufacturing of fish products. Measured by exports as well as by occupation, fishing is by far the most important trade in Greenland.

It is generally recognized in Greenland that enlarging the capacity of fish production will demand considerable investments and that this generating of capital will have to be provided for in a period of other wide-ranging and costly high priority investment programmes. Parts of these investment needs have been covered by grants and loans from the European Community: through the years 1973–82, grants from EC funds totalled D.kr. 680 million and in the same period, the European Investment Bank had given loans of D.kr. 330 m.

[1] Cf. Isi Foighel, 'Home Rule in Greenland: a framework for local autonomy', *Common Market Law Review*, Vol. 17, No. 1, 1980, pp. 89–108.

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These subsidies, which are about one-tenth of the annual transfer payment from Denmark, have been used to finance infrastructure and educational programmes. However, Greenland is now ready if necessary to pay the price of forgoing a financial arrangement with the EC, which would mean a slower pace of development. This rather unusual situation calls for an explanation of the political factors underlying Greenland's willingness to abandon the economic security of EC subsidies.

Home Rule and EC membership

In 1973, the Kingdom of Denmark joined the European Community and, as a fully integrated part of the realm, Greenland also acquired membership. The Danish decision to join the EC followed upon a referendum, in which the Danish population voted in favour of joining with an almost 2:1 majority.

Greenland, however, did not follow this pattern: 70·3 per cent voted against EC membership, a result accelerating Greenland's demand for home rule. This outcome was largely a result of the effects of the modernization process that Greenland's society had experienced since 1950, and particularly the concentration of the 50,000 inhabitants in the major cities along the West Coast. The process of urbanization carried with it feelings of alienation and loss of ethnic identity. In parts of the Danish educated Greenland élite a political consciousness was emerging, the essence of it being a wish for greater responsibility for creating the future of Greenland. This aspiration must not be confused with some nationalistic claim of secession from Denmark. Everybody realized that, in a foreseeable future, Greenland could not manage without being subsidized by Danish funds, but in order to regain self-respect, the Greenland people had to take steps to determine their own future.

The Greenland Home Rule Act, which was drafted in a joint Danish-Greenland commission, does not contain special provisions for the home rule authorities to alter the EC membership status of Greenland, but the Danish government issued a declaration that it would not oppose a wish on the part of Greenland to leave the Community.

The Greenland referendum

Between 1972 and 1979 the two dominant parties in Greenland, the centre-left Siumut and the moderate centrist Atassut, were divided on the issue of Greenland's continuing membership of the European Community. In the 1979 elections, the Siumut party won a majority in the home rule legislative, the *Landsting,* and thus headed the *Landsstyre,* the home rule government.[2]

As a result of the Danish membership negotiations with the EC, special provisions were made regarding Greenland. Some of those were given a permanent status, while others were to be reconsidered when the ten-year transition

[2] In the first *Landsting* election, the Siumut party obtained an overall majority of 13 of the 21 seats, Atassut winning the remaining 8 seats. In the *Landsting* election of 1983 Siumut and Atassut won 12 seats each, leaving 2 seats in the now enlarged *Landsting* for the leftist party of Inuit Ataqatigiit.

period expired. In the autumn of 1980, the Siumut party put the EC issue at the top of its political agenda, and positions were quickly formulated. In the following spring all parties agreed that the Greenlanders should be free to decide the EC membership question at a referendum.[3] The campaign became long, costly and—in contrast to Greenland traditions—harsh and bitter. Much of the written campaign material reflected an attitude of anger and disappointment. There was stress on examples of abuses by Community, and especially German, fishermen of their fishing licences inside Greenland's 200-mile economic zone, which was now part of common EC waters.

Siumut, two smaller parties, the trade unions and the fishermen's organization underlined that a decision to leave the European Community was a natural consequence following the adoption of home rule. By the latter Greenland had become less dependent on decisions made by Danish central authorities, paving the way for Greenlanders to 'create their own future'. Being restricted by regulations decided by EC bodies, which had shown virtually no understanding for the Greenland way of life, would keep Greenland part of a system that might threaten its political and cultural identity. Siumut wanted especially the competence of regulation of fishing activities to be retransferred from the supra-national EC institutions to Greenland authorities, as this meant control of the living resources on which Greenland relied for its future.

The Atassut party was as keen to protect Greenland's identity, but hoped that negotiations with the EC might prevent the abuse of Greenland fishing waters and felt convinced that its European partners would not press for exploitation of the uranium findings. What worried the pro-marketeers most was how Greenland would manage to finance its modernization process without being subsidized by the Community. Modernization, Atassut supporters asserted, was the only way to preserve Greenland as an autonomous ethnic entity in close co-operation with the industrialized Western countries.

The result of the referendum of February 1982 showed that it had been a close race: in a turnout of 74·9 per cent (compared with 57·5 per cent in 1972), 12,615 voted against staying in the EC, while 11,180 wanted to maintain the existing membership status.[4] Both Atassut and Siumut supporters claimed victory. The difference of the outcome—compared with the very clear result of the 1972 referendum—has also been the subject of debate, but the explanations have been rather diffuse. Two hypotheses can be offered.

Greenland voters are conservative in their political conduct, i.e., they tend to cast their vote for things they know. In 1972, voting in favour of EC membership seemed a venture with unknown complications. Consequently, turnout was low and an overall majority of the electorate voted against joining the European Community. In 1982, many Greenlanders seem to have felt

[3] Under home rule, foreign policy is constitutionally the prerogative of the authorities of the unity of the realm. Consequently, the Danish Parliament must approve a Greenland decision to leave the EC. The referendum, *ipso facto*, had to be consultative only.

[4] *Atuagagdliutit/Grønlandsposten*, No. 8, 24 February 1982.

uncertain as to the economic effects of leaving the Community. OCT statu: (the special arrangement under the Treaty of Rome for dependent oversea: countries and territories) was by no means a firm promise, and Danish governments had made it absolutely clear that Danish treasury funds would no be granted to compensate Greenland for the loss of EC subsidies.

The political map of Greenland has changed considerably since the 197: referendum. Where earlier personal attitudes had determined voting, there i: now a well-established party system and some measure of identification witl party attitudes. The voters' choice of party will be determined to some exten by the party platform, but in Greenland that platform is certainly made up b; more than the party position on the EC issue. The election results since 197: have exhibited a very delicate balance between voter support for the Siumu and Atassut parties, but with Atassut gaining ground.

Faroe status as an alternative

EC membership has given Greenland a special position in the North Atlantic area: as members of EFTA, the European Free Trade Area, Norway and Iceland have had free trade agreements with the EC since 1973. The Faroe Islands got an almost similar arrangement one year later, and in 1976 the European Community and Canada signed an agreement on economic cooperation. In 1957, the French islands of Saint-Pierre and Miquelon near Newfoundland became an overseas territory as defined in the Rome Treaty. Later, by unilateral decree, France integrated the islands as an overseas department.

The details of these various relationships to the EC also point to possible alternatives to EC membership for Greenland. The relations of the North Atlantic islands with the European Community are especially relevant in this context: the Faroe Islands and Iceland both earn up to 95 per cent of their export income by selling fish and fish products; and Saint-Pierre and Miquelon had originally OCT status. In 1974, the Faroe Islands got an arrangement almost identical to the free trade agreements of the Nordic countries. This means tariff-free export of industrial goods to the EC and reduced tariffs—typically 3 to 4 per cent—for most fish products. In return, the Faroe Islands have reduced their tariffs on certain fruits and vegetables imported from EC countries.[5]

While Iceland and the Faroe Islands have almost the same access to the Common Market for their fish exports, the two countries have followed diametrically opposite fisheries policies. The introduction of 200-mile zones meant a serious threat to the Faroe Islanders' traditional distant fishing in Greenland waters, the North Sea, Skagerrak etc. Contrary to the Icelanders, they had no choice but to swap fishing rights. In 1977, the Faroe Islands/Denmark signed a framework agreement with the European Community

[5] The arrangement has guaranteed a continuation of tariff-free access to the Danish market of goods produced on the Faroe Islands; see memo from the Department for Foreign Economic Affairs, 3 August 1981, on the EC free trade arrangement for goods from the Faroe Islands.

and since then annual quotas have been negotiated with the EC and third countries like Norway. Iceland demands and enforces exclusive fishing rights in its 200-mile zone and has refused to negotiate a mutual fishing agreement with the European Community. As a reason for this policy of splendid isolation, Iceland has referred to necessary restrictions in order to maintain existing fish stocks; with Icelandic fishermen alone allowed to fish within their zone, a lack of capacity ensures that there will be no excessive fishing.

Although a similar situation faces Greenland fishermen inside their zone, Greenland is not expected to follow Iceland's policy of isolation so intimately linked to the traumatic experiences of the 'Cod War' in the early 1970s and the EC's one-sided support for the British cause. However, German trawlers from Bremerhaven have greatly helped to foster a latent scepticism among Greenlanders about the benefits of concluding a fishing agreement with the EC. In February 1980, two German trawlers fishing illegally were captured and the skippers fined by the court in Nuuk.

Greenland and OCT status

One year before Greenland's referendum on EC membership, the Danish government asked the *Landsstyre* to choose between Faroe status and OCT status. In August 1981, it became public knowledge that the *Landsstyre* would opt for an association status similar to that granted British, French and Dutch overseas countries and territories, because this would be more beneficial in terms of trade and capital than Faroe status.

The origin of this special association arrangement dates back to the Rome Treaty negotiations, when France demanded a special relationship for overseas countries and territories. By the fourth part of the Treaty, the then colonies of the EC countries were linked to the planned Common Market of the Six, and in addition a development fund was established. In the 1960s, one colony after another gained independence and decided to continue association with the Common Market through the so-called Yaoundé Conventions of 1963 and 1969.

During the membership negotiations between the European Community and Britain, it was agreed to offer former British colonies in Africa, the Caribbean and the Pacific areas some sort of association with an enlarged EC. In 1975, the EC and 46 ACP countries signed the Lomé Convention, and the number of ACP countries has by now reached 63, partly because several OCT countries have become independent; 17 overseas countries and territories are left, e.g. the Netherland's Antilles, French Polynesia, the Falkland Islands and Brunei.[6]

The common external tariff for third countries on fish products is 20 per cent unless a special agreement has been concluded with the EC. If Greenland should decide to become a third country, which requires just a simple majority in the Danish *Folketing*, the economic consequences could prove damaging.

For Greenland, OCT status means tariff-free access to the Common Market

[6] EEC Treaty, Annex IV.

for export of fish and fish products. In principle, the EC countries have reciprocal free access to the overseas countries, but certain measures can be allowed to protect infant industries, development projects etc. In short, OCT status implies a certain degree of economic integration into the Common Market. In return for this principle of free exchange of goods, the EC is willing to help in terms of capital from several money boxes. While the European Development Fund and the European Investment Bank can grant aid and loans to Greenland as an overseas country, the Export Stabilization Fund (Stabex) and the Stabilization Fund for Exports of Minerals are unlikely to have great importance.[7]

Procedure for withdrawal

The Greenland electorate's decision of February 1982 to leave the European Community is regarded as a definitive decision, democratically arrived at, by both Greenland and Danish politicians and by both pro- and anti-marketeers. In March, Greenland's *Landsting* authorized the home rule government—the *Landsstyre*—to negotiate a transition from membership to OCT status, and the Danish government was requested to start negotiations.

Article 236 of the Rome Treaty prescribes that the government of any member state 'can submit to the Council proposals for the amendment of this Treaty'. The Danish government's proposal in May 1982 took the form of a draft treaty with six short clauses to amend the Fourth Part of the Rome Treaty, Annex IV, and Art. 227, according to which Greenland can obtain OCT status. Art. 236 states that 'if the Council, after consulting the Assembly and, where appropriate, the Commission, delivers an opinion in favour of calling a conference of representatives of the governments of the member states, the conference shall be convened by the President of the Council for the purpose of determining by common accord the amendments to be made to this Treaty.' Simultaneously with the submission to the Council in May 1982, the draft treaty was passed to both the Commission and the European Parliament. As President of the Council during the last six months of 1982, the Danish government tried to accelerate the process by committing the Commission to deliver an opinion not later than November. The Commission, however, was unable to adopt an opinion till February 1983, whereupon the preliminary Council meetings could take place.

Negotiations on Greenland's transition from EC membership to OCT status are taking place under the auspices of the Council, where the *Landsstyre* is assessor in the Danish delegation. Immediately after the referendum, the Prime Ministers of Greenland and Denmark agreed on a procedural strategy to ensure a quick exit for Greenland, but the whole negotiation has made a very slow start and the outcome cannot be expected until 1984. By then an inter-

[7] It does not cover exports of lead and zinc ore which is produced in the Marmorilik mine, operated by the Canadian-owned Greenex Company. See memo from the Department for Foreign Economic Affairs, 31 July 1981, on EC agreements with third countries, especially overseas countries and territories (OCT).

governmental conference will be convened to approve the revision of the Treaty, and, finally, the amendment must be ratified by the national parliaments of all member states. The implications of an elaborate procedure and a slow negotiation are that Greenland's transition to OCT status may not enter into force until 1985 at the earliest.

Reactions to Greenland's wish for OCT status

Greenland's position in the negotiations was clarified in September 1982 at the Siumut party's annual conference: an acceptable transition to OCT status implied that free access for Greenland's exports to the Common Market must not be paid for by access for EC fishermen to Greenland waters. If EC fishermen want to continue to fish east and especially west of Greenland, they must pay for licences.[8] The other demands are less controversial: EC citizens must not be given the same rights of establishment as have Danes; the common Greenland/Danish competence over Greenland's underground resources must prevail; and the Inuit circumpolar co-operation started in 1977 must not be harmed. In June 1982, the Irish Commissioner, Mr Richard Burke, was charged to produce the Commission's opinion. To prepare himself he visited several capitals of member states and went to Greenland for a week-long visit at the end of September. While in Greenland, the Commissioner would not promise a 'clear-cut' OCT arrangement; in particular, he would not guarantee free access for Greenland's export of fish if British and especially German fishermen could not continue their traditional fishing west of Greenland.

In February 1983, the Commission adopted a favourable opinion on Greenland's withdrawal from the European Community and on the granting of OCT status with certain specific provisions. The opinion referred to the restricted OCT status granted the Dutch Antilles in 1962 as a relevant model for Greenland's association, i.e. reciprocity in the fisheries sector.[9] This emphasis on reciprocity seems to be the attempt of the Commission to unite the member states behind a favourable response to Greenland's wish for OCT status.

During his European tour, the Irish Commissioner had met widespread opposition against granting favourable OCT status to a withdrawing EC member. In the preliminary Council negotiations in February and March 1983, these restrictive arguments and negative attitudes were repeated. In London, Paris, Rome etc., there is fear of the precedent of Greenland obtaining preferences without the commitments of membership and worry that development towards home rule or autonomy may open a way out of the EC. The German opposition is mainly concerned that the German high-sea fishing fleet could be excluded from one of its traditional fishing grounds in the North Atlantic.

Conclusion

Greenland's wish to give up EC membership in favour of OCT status is

[8] The arrangement could correspond to the existing licence payments for EC fishermen operating in the fishing zones of Guinea-Bissau and Senegal.

[9] *Agence Europe*, 4 and 5 February 1983.

founded on its aspirations to exclusive protection for the sovereignty newly obtained by the introduction of home rule. The ten democracies constituting the member states of the EC, which have embarked on an experiment with direct elections to the European Parliament, should respect this wish which was clearly expressed in a referendum, in full accordance with the best principles of democracy.

It is unacceptable for the *Landsstyre* 'to ask for permission in Brussels to catch our own fish'.[10] A crucial condition for Greenland in the ongoing negotiations is that it alone will have the future competence to administer fishing rights in Greenland waters. It is in order to achieve this strengthening of Greenland's sovereignty that a majority of the referendum voters demonstrated a willingness to renounce the financial benefits of EC membership.

Greenland does not claim any fishing rights in European waters. On the contrary, the Greenland government has declared its willingness to permit German, British, Dutch and other EC fishermen to catch amounts of fish which the Greenlanders themselves cannot catch so far due to lack of capacity. This can be granted in return for some sort of payment for fishing licences.

The Greenlanders' per capita income is higher than that in one or two EC countries, but about half the GNP of Greenland is transfer payments from the Danish state budget. Greenland 's economy is still linked to the development of one economic sector and strongly dependent on the export of one sort of product. In this respect, Greenland is similar to most of the 80 ACP/OCT countries.

For Denmark as an EC member state, OCT status for Greenland is a right as obvious as Britian's right to grant OCT status to the Falkland Islands or Brunei with a per capita income higher than Greenland's due to oil resources. The fear of the precedent of granting Greenland OCT status is based on failure to recognize that Greenland is an overseas country, geographically part of the North American continent. That is the main reason why Greenland's withdrawal from the European Community will have no adverse effects on Greenland's continuing membership of Nato and the American military presence in Greenland.

Greenland's climate, norms, culture, ethnic character, social structure, economic and industrial pattern and infrastructure are so significantly different from Europe's that Greenland's withdrawal from the EC and transition to OCT status can never be a relevant example for territories or regions in Europe. Greenland's way out of the European Community is not creating a precedent—it is unique.

[10] Landsstyreman Mr Moses Olsen at a conference on Greenland and the European Community, Kolle-Kolle, Copenhagen, 14 January 1983.

The Italian paradox: individual prosperity, political bankruptcy

TIM PARKS

THE government of Prime Minister Amintore Fanfani which resigned on 29 April was the third government to fall in the space of nine months, the 43rd since the war. A brief survey of other news that same week scarcely gave a more encouraging picture of Italian national life. Consumer index figures for the previous month[1] indicated an inflation rate of 16·5 per cent and rising again (this with unemployment at 2·5 million). Despite a cut of 0·5 per cent, the minimum lending rate remained at the prohibitively high level of 17·5 per cent. 'Red Brigades Shoot Leading Socialist in Rome', *Corriere della Sera* announced on 3 May. The following day, Signor Sereno Freato, a former secretary of the murdered Prime Minister Aldo Moro, now accused of complicity in the petrol scandal, explained how dirty money was used to fund political party conferences. On 5 May, having failed to find any agreement between the political parties for a new coalition, President Pertini dissolved Parliament and called for general elections. It was the fourth Parliament in succession unable to reach the conclusion of its constitutionally prescribed lifetime. And away from the headlines? The interminable repercussions of the collapse of the Ambrosian Bank, yet another arrest among politicians in the Turin bribes scandal, various mafia murders in Naples and Sicily. . .

With news like this being the norm, it is no wonder that the visitor to Italy arrives expecting the worst—a part of Europe plunging rapidly towards the Third World, inflation, violence, poverty, and governments that form and dissolve like something seen through the heat haze of a hot Mediterranean shore-line.

Yet nothing could be further from the truth. It requires just a few months living in Italy amongst Italians to appreciate that it is possible for a country, as a nation, to stumble along in the direst possible objective circumstances, while its people, individually, would appear to be extraordinarily wealthy, certainly more so than their social counterparts in Britain. This article is an attempt to explore and so far as possible explain what lies behind that apparent contradiction.

Conspicuous well-being

High standards of living, particularly in the north of Italy, are most immediately and convincingly evident in the high quality of the housing stock. For space, design, furnishings, fittings and plumbing, the modern and not-so-modern housing is extremely impressive. Polished marble, the most effective double-glazing, futuristic kitchens, the best quality materials are everywhere

[1] Published in *Corriere della Sera*, 30 April 1983; quoting official government figures.

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the norm. And here one is speaking not exclusively of middle-class properties but also of the greater part of the '*case popolari*', the Italian version of council housing. Likewise the shops will give no indication of depression. The whole range of modern consumer products is glitteringly evident with little of the shabby and cut-price in almost every sector. Perhaps predictably clothes are especially attractive: even in their icy, foggy winters, Italians seem not only well, but on the whole beautifully clad. Fur coats and designers' dresses abound and despite the extremely high price of energy, no one will be found to be skimping on heating.

But how and why has this apparent miracle come about? Even admitting readily that there are large areas of extreme poverty in the deep south of Italy, how is it that the bulk of those in the north and centre can live so well? Legend would have it, of course, that the black economy and tax evasion in general are the answer, and certainly they play their part. For while salaried workers are taxed to the hilt through a system similar to PAYE in Britain, there is very little control over earnings in other sectors of the economy where tax evasion is the rule. A survey of income-tax returns, for example, shows that medical consultants and surgeons declare average private monthly earnings of only 233,000 lire (about £100). Returns for lawyers, dentists and other professionals are similarly low, while VAT returns (the latest figures available are those for 1981[2]) show that the average restaurant claims to earn only five million lire p.a. (£2,400), an average jeweller's shop, ten million, and so on, barely enough to survive. The extent of the government's failure to tax the commercial and professional sectors becomes quite glaring when one considers that before PAYE was introduced in the mid-1970s, salaried workers payed only 41 per cent of total income-tax revenue. Now they pay 75 per cent: professionals and freelance workers just 2·3 per cent, businesses 19·2 per cent, and property owners a mere 3·4 per cent.[3] With tax returns from the non-salaried sector so obviously mendacious, one would expect a veritable bonanza for the tax inspector, except that in Italy the inspector is not in a position to investigate accounts valued at less than 400 million lire (£180,000) and therefore begins every enquiry with both hands tied behind his back.

But tax evasion alone, however widespread, cannot account for everything. To appreciate the deeper social and economic factors that lie behind the high standards of living, it is necessary to consider the phenomenon of the Italian family. Take one critical fact: whereas in England even the nuclear central family breaks up at a fairly early stage, with parents remaining in the family home while sons and daughters at only seventeen and eighteen are away in bed-sitters, college digs and boarding houses, the Italian family on the other hand is likely to stay together for much longer (not least because there is absolutely no tradition of children leaving home to go to university, nor—apart from the obvious exception of the deep south—of migrating from one city to another to find work). Marriages tend to come later, courtships are longer and the notion of getting away from home in order to experiment with living together is not so common among young couples. Quite apart from any social

[2] See *Panorama* (Milan), No. 859, 4 October 1982. [3] *ibid.*, No. 875, 4 January 1983.

or emotional factors, this naturally has two positive results from the financial point of view: it puts less pressure on the housing stock and, once the children are earning, it means that more money flows into a single family unit living together in the same house, which naturally leads to an improvement of the property—and to more money being available for straightforward consumerism. One has only to reflect on how very many young English couples stumble along in shabby bed-sitters while the rooms of their parents' houses stand empty to appreciate the effect a total reversal of this state of affairs might have. Moreover, in Italy, with mortgage rates running at the ludicrous level of 20 or even 25 per cent, young people have generally despaired of buying and so tend to spend rather than scrape or save. Thus dire economic circumstances can lead to a false impression of wealth.

But this different distribution of resources, like the mendacious tax-returns, is only another indicator of an entirely different relationship between people and state that conditions Italian, as opposed to British, society. Perhaps the most pertinent fact about the Italian family, for example, is quite simply that it has never surrendered its wider responsibilities to a comprehensive welfare state—or, to put it the other way round, the government has never been in a position to offer them such a state. Thus the family still holds itself largely responsible for such difficult problems as looking after the old or hunting out, and in many cases even creating, jobs for its children. An extremely strong sense of inter-reliance, long dead in English society, still flourishes, so much so in fact that unemployed youth, particularly of the middle classes, can often be heard to blame not the government but their own parents for their predicament. Not enough friends and connexions have been made.

With the responsibilities of the family so large, those of the state so much reduced, it follows that the resistance of people to paying taxes is all the greater. Nor is tax evasion a private, taboo subject, but, on the contrary, a group effort on the part of the family, which often seems to be seeking to establish itself as a complete social unit, with little or no allegiance to the greater society beyond or to the nation state. Middle-class families seem extremely, even tortuously, conscious of the need to distribute wealth and assets within themselves in such a way as to minimize the overall impact of a taxation that is anyway, going by other West European standards, already fairly light. Thus it is that the people as a whole maintain their quality of life while the government grows poorer, is unable to repair roads, to pay off foreign debts or to offer efficient and adequate health and education systems—'a nation dancing on a sinking ship', as the former Prime Minister, Giovanni Spadolini, bitterly remarked.

Government failure

But if the nation is dancing though the crisis, the government frankly has done very little to stop the music. Despite a national debt now running at 15 per cent of GNP,[4] Ministers have continued to concede ruinous handouts to

[4] David Willey (quoting the Budget Minister), 'Italy: the weakest government in Europe', *The World Today*, December 1982.

almost every section of society. Policy in the industrial sector has been particularly disastrous, continually caving in to the demands of the strong unions. Wages are automatically index-linked month by month, completely protecting workers from the impact of inflation—and at the same time fuelling it. A policy of supporting industrial 'lame ducks' has been adopted everywhere and most especially in the south where employment figures give no indication at all of the truly productive work-force. To the middle classes, though, the government has been even more generous. Tax concessions to professionals are such that many can automatically reduce their income declarations by 35 per cent as an allowance for 'expenses' which, below a certain level, need not be proved and cannot be checked. Concessions towards agricultural producers are such that, without having to indulge in any illegal evasion, the sector pays only 0·45 per cent of its income in tax.[5] Again, when the government finally introduced the law to end banking secrecy last year, no attempt was made to open all accounts to inspection, only those, as has been said, over 400 million lire. The provision thus allows the police to carry out an assault on big time corruption while doing nothing to get to grips with tax evasion on the more 'domestic' scale. On the money side, it is true that lending rates remain extremely high, making industrial loans very expensive, but to protect the individual and raise money for itself. the government has flooded the savings market with short-term treasury certificates (BOTs), offering an interest rate equal to that of inflation. Thus money that might have been channelled towards industrial investment is directed back to wasteful spending programmes while the public is again saved from having to face the gravity of the crisis. The major sufferer is private industry, obliged to raise wages in line with inflation every month, starved of investment and faced with continual increases in the prices of raw materials from overseas as the lira inevitably devalues.

To understand why a government whose parliamentary majority is made up for the most part of the conservative Christian Democrat party should have continued so persistently with such a disastrous variety of policies, it is necessary to consider the nature of the Italian political scene and, in particular, the relation of the political parties to the government and to public life in general.

The Italian Parliament has two elected houses, upper and lower, the government being formed from the lower. The voting method is an example of proportional representation in its most extreme form. The country is divided into 32 very large constituencies, each with an average of a million and a half voters and 16 or so seats which are allotted on the basis of one seat per 90,000 votes polled. For a new party to win a place in Parliament, it must collect the 90,000 votes in just one constituency (most easily, Rome or Milan, each with over 4·5 million voters); then all the 'extra' votes, i.e. those cast in other areas where the 90,000 was not achieved, or those over and above the number required for a seat or seats, are all added together to form other seats in a national electoral college. There is no 5 per cent threshold as in West Germany, and thus very few votes are 'wasted'.

On the positive side, this system is, and is perceived to be, extremely fair.

[5] *Panorama*, No. 875, 4 January 1983.

The constituency of the House of Deputies does accurately reflect the political opinions of the population. The end result of such fairness, however, is a Parliament swimming with tiny parties of one extremism or another, while the possibility of an absolute majority is denied to any single group (it would be necessary to have more than 50 per cent of the national vote to achieve such a thing). When one adds to this the fact that 33 per cent of the population consistently vote for the well-organized and electorally well-disciplined Communist Party, which almost all other parties are determined to exclude from power, then it becomes evident that any Italian government must involve a coalition of the remaining 60 per cent, i.e. the Christian Democrats with 261 parliamentary seats (43 per cent), the Socialists with 61, and the so-called 'lay' parties, Liberals, Social Democrats and Republicans, with a handful of seats each. To keep these loose coalitions together, a Prime Minister is obliged to adopt a policy of favours and compromises: the Social Democrat Party, for example, is a strong supporter of pensions, getting a large part of its vote from the over-sixties, and will thus threaten to leave the coalition at any moment pensions are threatened. The Socialists likewise must make a strong show of defending workers' interests and will not allow a retreat from index-related earnings. The Christian Democrats, on the other hand, will not accept any legislation that damages the interests of middle-class professionals, shopkeepers, businessmen etc. Forming a budget under these conditions is all but impossible and the extent to which desperate Ministers will go to raise revenue without damaging anyone's interests is indicated by the so-called 'fiscal pardon' (*condono fiscale*) introduced in 1982. This ingenious law offers a complete pardon for tax crimes committed up to the end of 1981 to all those who present a declaration of the presumed extent of their evasion and then pay a nominal part of it. The law yielded more than twice the revenue the government had expected, with declarations from most major companies, including, surprisingly, the Bank of Italy itself—a shot in the arm certainly for the languishing Treasury, but scarcely a measure that can be repeated every year, nor one likely to inspire confidence amongst the public.

The concession of favours to cement the coalition, however, goes further than the allocation of ministries or the avoidance of measures that would embarrass one party or another. Over the past years almost all publicly appointed civil service jobs have come to be awarded on a party basis. According to the magazine *Espresso*,[6] more than half a million positions are involved at the head of 40,000 public organizations, including hospitals, transport, banks, radio and television. In February, in fact, the government all but fell over precisely this issue when the Socialists were not offered the presidency of ENI (the national petroleum board) as had apparently been promised and immediately threatened to leave the coalition. While this sharing out of patronage (*lottizzazione*) does serve the crude pupose of keeping the coalition parties content enough to continue in government, it has disastrous effects on the efficiency and reputation of public administration. Positions are not

[6] *Espresso* (Rome), No. 6, 13 February 1983.

awarded on merit and allegiances are not primarily to the nation or even the job, but to the party. Furthermore, with every other road to public office now blocked, even at local level, the parties have been infested by opportunists whose political credentials are at best indifferent. Thus, in Turin, what was once a model regional government made up of a Socialist/Communist coalition is now at the centre of a huge bribes scandal of the kind that used to be considered the special preserve of the Christian Democrat Party.

Ironically, precisely as the parties tighten their grip on public life at every level, so the people become more distant from them and cynical about politics in general. The perceived impossibility of any significant change only reinforces this cynicism. The proportional electoral system tends to minimize the effect of any shift in public opinion. Three, 4 or even 5 per cent one way or another will not topple any marginal seat or significantly change the make-up of Parliament. The public are aware that, given this state of affairs, the present coalition is the only one possible and, however many times it may appear to be dead and buried as yet another government collapses, it will always be dug up again and set on its wobbly feet.

Why then bother about elections? The reason would appear to be that Bettino Craxi, the Socialist Party leader, who forced the country to the polls a year before the end of the legislature, believed that this was the moment for his party to win 2 or 3 per cent of the votes, so approaching more nearly the moment when it could hold the balance of power between Christian Democrats and lay parties on the one hand and the Communists on the other. A small advance in this direction should give the Socialists a little more clout in the coalition and Craxi made it clear that in such circumstances he would expect the other parties to accept him as Prime Minister. However, it is doubtful whether this would really change anything as the Prime Minister has only very limited powers. Moreover, there is a rather nasty joker in the pack, the Movimento Sociale Italiano (MSI), an extreme right-wing party boasting direct descendance from Mussolini's Fascists. The MSI took 5·8 per cent of the votes at the last regional elections and will probably repeat the performance at national level. In which case, should the Socialists ask too much in return for their support or even be in a position to threaten a coalition with the Communists, it may well be that the Christian Democrats will simply reply with the threat of a more right-wing coalition with the centre parties and the MSI. Stalemate.

It is in this tiresome atmosphere of backstabbing and jockeying for position that the latest election campaign was conducted. The chances that a responsible government might come out of this contest seemed remote at the time of writing.[7] Italians can thus look forward to continuing the good life on borrowed money and borrowed time for at least a short while to come.

[7] The results of the Italian general election held on 26–27 June will be discussed in an article in the September issue of *The World Today*.

Yugoslavia: economic grievances and cultural nationalism

F. B. SINGLETON

IN seeking to explain the causes of the economic crisis which affects so many countries in the world to-day, it is possible to distinguish two closely interwoven patterns. One originates from the general malaise which afflicts the world economy, and which is a reflection of the impact of the oil price rises of the early 1970s. Superimposed on this, there are factors peculiar to a specific country which either exacerbate or ease the effects of the world crisis.

Yugoslavia, whose domestic oil supplies account for only 20 per cent of its needs, was particularly vulnerable to the rise in oil prices. As a country whose economy is dependent upon world trade, it was also badly hit by the world-wide downturn in the volume of goods exchanged. Yugoslavia's industrial growth depends on the importation of producer goods and raw materials mainly from hard currency areas. In order to pay for these it must increase its exports to these areas, but Western Europe and North America, because of their economic difficulties, have a diminishing need to import from Yugoslavia. It is of limited value for Yugoslavia to re-orientate its foreign trade towards its Comecon neighbours and the Soviet Union. Apart from the political overtones involved in such a shift, these countries are unable to supply many of the goods which Yugoslavia needs; and any surplus built up because it is relatively easier for Yugoslav goods to enter the Comecon area than the EEC is an embarrassment because of the non-convertibility of the East European currencies. Thus, in 1982 there was a balance on trade with the USSR of $670 million in Yugoslavia's favour, but a deficit of $2,100 m. with the EEC countries and of $400 m. with the United States.

The above-mentioned factors can be directly attributed to the decline in the world economy and are shared, in varying degrees, by most of the industrializing countries of the world. Yugoslavia also has problems which arise because of certain peculiarities of its political and economic system. During the recent discussions which resulted in the rescue package that the International Monetary Fund (IMF), the World Bank, some Western governments and a consortium of Western banks put together, one issue kept rising to the surface. This was the problem of Yugoslavia's highly decentralized economic system, operating within the framework of a federal Constitution which permits the six republics and two autonomous provinces to favour policies which border on economic autarchy.

It is paradoxical that in a country in which there is a centralized, all-Yugoslav League of Communists (LCY) as the only source of political power,

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backed by an all-Yugoslav army and security apparatus, the government is unable to command from the republics an automatic compliance with its economic policies. It may be, as Tito put it, that the League of Communists is in the political sense 'the connective tissue which binds socialist Yugoslavia together', but it has singularly failed to integrate the economic policies of the republics.

In the attempt to give greater recognition to the rights of the republics, the central authorities have relinquished most of the fine tuning controls which would have enabled them to regulate the economy, and are left only with the blunt instrument of administrative intervention, which they recently resorted to by imposing currency controls, rationing and devaluation of the dinar.

Historical background

To understand why this is so, it is necessary to know something of the history of the Yugoslav people. Each of the main Slav groups can boast of a time when their ancestors created separate, independent kingdoms, or even empires. Serbia, under Tsar Dušan in the fourteenth century, controlled most of the Balkans south of the Danube–Sava line, and even threatened the might of Byzantium. The Croats, before their union with Hungary in 1102, also held sway over an area from central Dalmatia to the Sava valley. Macedonia, too, had its moment of medieval glory under Tsar Samuilo, and even the Slovenes have a folk memory of an empire in the seventh century which included Leipzig, Prague and Vienna as well as Ljubljana and Zagreb. The defeat of the Serbs at Kosovo Polje in 1389 was the prelude to a Turkish occupation of the Balkans which lasted until the nineteenth century. Turkish rule over Macedonia did not end until the eve of the First World War. Montenegro, originally part of medieval Serbia, was never fully conquered by the Turks. In the north, the Habsburg monarchy came to occupy what are now the Republics of Slovenia and Croatia and the Autonomous Province of Vojvodina. Along the boundary between these two rival empires, one Islamic, the other Roman Catholic, a military frontier zone was established, in which Orthodox Serbs who had fled from Turkish rule were settled by the Austrians. They were given land and exempted from feudal obligations, on condition that they defended the realm against the Turks. This marcher zone was not finally incorporated into the civilian administration of Croatia until 1881, and there are still villages in southern Croatia where most of the inhabitants are Orthodox Serbs.

The memories of these historical experiences are deeply embedded in the consciousness of the various nationalities which are found in modern Yugoslavia. Even more tangible witnesses to this turbulent history are the three and a half million Moslems of Bosnia, Kosovo and Macedonia. They are divided into three main groups. The largest is the 1·8 million strong group who, since the 1960s, have officially been designated in the census returns as 'Moslems in the ethnic sense'. These so-called ethnic Moslems live mainly in Bosnia and Hercegovina, and are Slav speakers who are descended from Christian converts, some of whom belonged to the heretical Bogomil sect of

the Bosnian Church.[1] The second largest group are the 1·6 million Albanian-speaking Moslems of the autonomous province of Kosovo and the neighbouring areas of Montenegro and Western Macedonia. A third Moslem group, numbering about 100,000, is to be found amongst the Turks of Macedonia and South Serbia.

Kosovo has been one of the most troublesome areas in recent years.[2] It has all the characteristics of a Third World country. Its income *per capita* is below $1,000, one-third that of Yugoslavia as a whole, and one-sixth of Slovenia's. Its birth rate, 27·4 per cent per thousand, is the highest in Europe. The illiteracy rate is twice the national average. Yet its natural resources in fuel, minerals and agricultural potential are considerable. It is a rich land inhabited by poor people—and they resent the fact. A comparison of Kosovo and Slovenia prompted the somewhat exaggerated comment of a Yugoslav economist, 'We have India and West Germany in one country.' A brief glance at the history of the relations of the Albanians with the Serbs illustrates how deeply embedded are the attitudes which make harmonious relations between the peoples of Yugoslavia so fraught with difficulties. Those tensions affect every aspect of life, not least the economic aspects.

The Albanian group are so different in their culture and way of life from the Serbs amongst whom they live that the mere fact of their occupancy of the original cradle of the Serbian nation is in itself sufficient to raise problems of community relations. The Albanians have always been regarded with mistrust in Belgrade. At the end of the First World War, there was a frontier dispute between the two newly created states of Albania and Yugoslavia which led to a Yugoslav occupation of Northern Albania. Only in 1926, under pressure from the European powers, did the two sides reach agreement. During the Second World War, the Italian puppet state of Albania incorporated the Kosovo region and the Albanian-speaking areas of Macedonia into a Greater Albania. Towards the end of the war, under an agreement between Hoxha and Tito, the pre-war frontier was restored, but Yugoslav partisans encountered fierce resistance from local Albanians when they came to retake the territory. For the next twenty years Kosovo (then called the Autonomous Region of Kosovo-Metohija, or Kosmet) was ruled by Serbs, although Serbs constituted less than one-third of the population. Serbian police and security forces under the watchful eye of Aleksandar Ranković, Tito's Minister of the Interior, suppressed any manifestation of Albanian nationalism. The higher educational institutions were run by Serbian teachers, in the Serbian language, and the political and administrative system was firmly in Serbian hands. Following the fall of Ranković in 1966, the Albanians began to press for a greater share in the government of Kosovo. In 1968, there were demonstrations in both Priština, the provincial capital, and Tetovo, in the heart of the Albanian-speaking area of Macedonia. Concessions were made in an attempt to defuse the

[1] See K. F. Cviic, 'Yugoslavia's Moslem problem', *The World Today*, March 1980.

[2] See Patrick F. R. Artisien and R. A. Howells, 'Yugoslavia, Albania and the Kosovo riots', *ibid.*, November 1981.

growing unrest. The Autonomous Region was raised in status to that of a Province, with similar rights to those enjoyed by the Vojvodina. An Albanian-speaking university was established in Priština, and the Serbian professors who had previously run the faculties of the subordinate university college, were sent back to Belgrade. Cultural links were established with Tirana University, and there is some evidence that the Hoxha regime has helped to foster Albanian nationalism.

Far from quietening down the Albanians, these concessions whetted their appetite for more, and in particular, for a greater share in the economic wealth of Yugoslavia. Kosovo has always been the poorest region of the country, and although efforts have been made by the Federal Government to channel aid through special funds allocated to assist the less developed areas, the relative position, measured in terms of national income *per capita,* has steadily worsened. This is partly because of the very high birth rate amongst the Albanians, currently running at almost twice the national average. The proportion of Albanians to Serbs has moved from 67:24 in 1961 to it present figure of 77·5:13. The decline in the proportion of Serbs is not simply a result of the differential rates of natural increase. There has also been a steady migration of Serbs out of Kosovo, often under pressure from their Albanian neighbours. After the riots of 1981, almost 11,000 Serbs left in a single year. They complained of harassment, of the desecration of Serbian Orthodox graves, of social ostracism and even physical violence. Many of those who have left are skilled professionals who cannot be easily replaced. In 1982, Priština lost 21 graduate engineers, 21 lawyers and 6 doctors—all Serbs who migrated back to Serbia proper.

North–South syndrome

Whilst the unrest was growing in Kosovo, the richer republics were beginning to complain about the unfair burden which was laid on them in supporting their poorer southern neighbours. The Croats were the first to erupt, in 1971. The Croatian League of Communists began to voice the economic grievances of the people, and as a result it enjoyed a sudden rise in popularity, drawing to its support many nationalist-minded intellectuals. The students who demonstrated in Zagreb in November 1971 carried banners adorned with strange devices: 'End the retention quotas!' 'Stop the plunder of Croatia!' The former referred to the law which compelled firms to deposit up to 90 per cent of their foreign currency earnings in the National Bank, retaining a mere 10 per cent for their own use. The Federal authorities, it was alleged, squandered the money which they thus acquired in assisting the less developed areas in economically wasteful projects. In other words, the students were saying 'Stop spending our money on help to the Macedonians, Albanians, Bosnians and Montenegrins.' They quoted the principles of self-management, which gave workers the right to enjoy the full fruits of their labours. This, of course, conflicted with Tito's oft repeated appeals for brotherhood and unity between the peoples of Yugoslavia. He called for a tightening of party discipline and a

return to Lenin's principle of democratic centralism. There was a purge of the Croat League of Communists. Mrs Milka Planinc, later to become Federal Prime Minister, headed a group of loyalists who replaced the liberal nationalists. The purge continued throughout 1972, removing many whom Tito called 'rotten liberals' from the leadership of republican governmental and party organizations in Serbia, Slovenia and Macedonia, as well as in Croatia.

In 1974 a new Constitution[3] was introduced which, in Tito's words, broke 'with all the remnants of so-called representative democracy, which suits the bourgeois class'. Under its provisions, there was a recentralization of political control. The army and security services, which, like the LCY are all-Yugoslav institutions, were strengthened. Paradoxically, two years later the Law of Associated Labour gave a further impetus to the decentralization of the economy, by giving greater power to the Basic Organizations of Associated Labour at grass roots level.

The arguments between the republics and provinces during the 1960s and 1970s were conducted mainly in economic terms, the representatives of the richer areas complaining that they were being milked of their hard-earned income in order to prop up inefficient and lazy southerners; whilst the poorer areas objected to their food and raw materials being sold at low prices in order to feed the industrial north. Behind these economic arguments, which were permitted, there were darker mutterings of nationalist bitterness. The long history of animosity between the peoples of Yugoslavia, rooted in historical differences of culture, language and religion, could not be dispelled within one generation. The pre-war kingdom of Yugoslavia had been riven by disputes between Serbs and Croats, and it came to an end during the Second World War in a welter of fratricidal bloodshed.

Since the death of Tito, the collective leadership, whose personnel are chosen according to a strict formula ensuring equal representation to each republic and province, has been extremely nervous about the possibility of nationalist outbreaks, and there have been several recent trials in which alleged nationalists, including Orthodox priests in Serbia and Moslem hodjas in Bosnia, have been given stiff sentences for disrupting the 'brotherhood and unity' *(bratsvo-jedinstvo)* of the Yugoslav peoples.

A manifestation of national rivalry which has so far gone unpunished, although it has attracted increasing criticism from federal government leaders, is the tendency of the separate administrative units to operate closed economies. This is not a new feature. Tito frequently attacked this attitude, as, for example, at the Trade Union Congress in 1978, when he complained that the richer areas were unwilling to make a proper contribution to raising the economic levels of their poorer relations. He feared that this lack of solidarity would feed nationalist excesses. The interaction between economic and cultural nationalism is a two-way process. Economic inequalities between republics lead to accusations of exploitation and often revive memories of historic wrongs. The cultural differences reinforce the tendency to economic exclusiveness.

[3] See Adam Roberts, 'Yugoslavia: the Constitution and the succession', *ibid.*, April 1978.

Effects of decentralization

In the aftermath of the liberal reforms of the mid-1960s, both political and economic decentralization appeared to go hand in hand. Tito once told his comrades that they were in danger of creating six Communist parties, each pursuing the national interests of its own republic. He also told them that they were acting less and less like Communists and more and more like economists. The reorganization after the 1971 troubles re-established the LCY as a united party, but the economy has remained decentralized.

As the republics and provinces gained more control over their economies, there was a tendency for some of the brighter, younger men to drop out of politics and to seek employment as technocrats and managers in economic organizations. Many drifted out of federal posts in Belgrade and returned home to their republics. In any case, federal policy was dominated by ageing ex-partisans, and there were better opportunities for advancement in the republican centres of economic power. Republican banks, export–import organizations and manufacturing industries provided a more secure base than was to be found in the federal administration.

The shift of power from the centre to the republics also affected the machinery of government, where local bureaucracies often act in as high-handed and dictatorial a way as the old centralized state bureaucracy. Professor Najdan Pašić, a veteran party theoretician, and now President of Serbia's Constitutional Court, has recently drawn attention in a letter to the LCY Presidium, to 'the uncontrolled and constant multiplication of the administrative apparatus at all levels'.[4]

In the economic sphere these local bureaucracies, supported by the republican banks, have encouraged an inward-looking, autarchic attitude which has discouraged enterprises from co-operating across republican boundaries. This has led to wasteful duplication of resources—as, for example, in the steel industry—and competition between republics in spheres such as foreign trade, where an all-Yugoslav approach would be more rational.

It seems that the Yugoslavs are now being compelled by external forces to re-examine some of their economic practices, and this re-examination is leading to a critical appraisal of the constitutional framework. The external pressures are coming from the Western bankers and the IMF, who have responded to Yugoslavia's desperate cries for help in its present economic crisis. Already the *per capita* borrowing rate is higher than that of Poland. With debts of almost $20 billion, and an annual bill for interest payments of $5 billion, Yugoslavia must pay 8 per cent of its GNP and 23 per cent of its export earnings in debt servicing.

The Western bankers, under pressure from their governments, are prepared to help the Yugoslavs out of their difficulties, as the political consequences of a collapse of the Yugoslav system would have dire effects upon the stability of international relations. They expect, however, some response from the Yugoslavs in correcting some of the errors which caused the crisis. One of these was

[4] Quoted in *Danas* (Belgrade), 12 October 1982.

the lack of central control over foreign borrowing and the lack of co-ordination between the republics. There was at first some resistance from the Yugoslavs to the IMF's insistence that the federal government should take responsibility for the regional commercial banks. A compromise was reached after an acrimonious exchange between the chief foreign debt negotiator, Janko Smole, and the banks in Macedonia, Kosovo and Montenegro, which were accused of irresponsibility in their foreign dealings. The National Bank will act jointly with the republican banks, and the federal government will stand behind them with a guarantee which appears to satify the IMF. Once this obstacle was cleared, the way was open for a re-scheduling package which has temporarily stabilized the situation.

Since this was agreed in April 1983, both China and USSR, mindful of Yugoslavia's role in the non-aligned movement, have offered assistance. The Soviet Prime Minister, Mr Tikhonov, who visited Belgrade whilst the loan package was being negotiated, guaranteed a 20 per cent increase in oil shipments, which, although sold at world prices, can be paid for in Yugoslav exports under a barter arrangement. In May, Hu Yao Bang started his visit by offering a $120 m. loan, and concluded it with a trade agreement, involving large Chinese purchases of ships and machinery. The Yugoslavs have now approached the European Investment Bank for aid in restructuring their industries. There has been much talk in Belgrade—and not only for the ears of prospective Western lenders—of basing economic recovery on a freer use of market forces.

Whether these international life-lines will enable the Yugoslav economy to escape from the gloomy spiral of stagnation, unemployment, inflation, devaluation and foreign debts will depend on the success of the austerity programme and the stabilization measures now being rigorously pursued.

One nettle which must be grasped is the need to break down the invisible barriers which seal the republican economies into their separate compartments. Legally, Yugoslavia presents a single common market of 23 million people. In reality, the freedom of movement of capital, labour and goods within this economic unit is restricted by barriers which exist in the minds of the people, and which have grown up over the centuries. Marx said that no nation can forget its own history, but the Yugoslavs must at least learn to come to terms with theirs. It is not simply a question of reducing the gap between the rich and poor republics and provinces. Genuine efforts have been made in this respect, but, as the whole country has increased its economic wealth, the gap in terms of national income *per capita* has, in fact, widened. The danger is that economic inequalities can be exploited by nationalists who have a rich, explosive mixture to play with in the historic cultural differences between the peoples. In the present economic crisis it becomes more and more difficult to persuade the rich to assist the poor. This is not only a problem for Yugoslavia, which presents a microcosm of the world's North–South confrontation.

East–West trade after Williamsburg: an issue shelved but not solved

STEPHEN WOOLCOCK

IN marked contrast to the previous economic summit meeting of the major industrialized countries at Versailles in June 1982, Western policy on East–West trade was not a central issue at the Williamsburg summit in May 1983. In the intervening year, the West had some success in containing the differences on this subject between the United States and Europe, though little progress was made towards any convergence in their respective positions. The future of transatlantic relations in respect of East–West trade may now hinge on the outcome of the current US debate on the renewal of the Export Administration Act (EAA).

In recent years, there have been clearly divergent trends in US and European approaches to trade and economic relations with the Soviet Union and Eastern Europe.[1] West European governments have sought to maintain the status quo in which strategic objectives only play a central role when it comes to limiting Soviet access to Western technology with immediate military applications. The United States has always adopted a more restrictive policy in which strategic and political considerations are paramount. This trend, already apparent under President Carter, became more pronounced in the first two years of the Reagan Administration.

At the Ottawa economic summit in June 1981, the United States sought European support for a fundamental reassessment of Western policies on East–West trade. The objective was to shift the general orientation towards a policy of economic denial, or a kind of revival of the economic containment of the Soviet Union in the 1950s. This included stopping the Urengoy gas pipeline project.[2] When active European support was not forthcoming, the United States moved unilaterally by placing an embargo on equipment for the pipeline and seeking generally more restrictive policies on technology transfer and credit. In the months preceding the Versailles summit in 1982, the Reagan Administration tried in vain to get European governments to follow the American lead. Again, the Europeans resisted a shift towards a policy of economic denial, but did agree to certain improvements in the existing multilateral security controls on exports of goods and technology in CoCom, the co-ordinating committee on East–West trade. The European Community also agreed, in principle, to reduce the subsidy element in Western export

[1] See Stephen Woolcock, 'East–West trade: US policy and European interests', *The World Today*, February 1982.

[2] See Jonathan Stern, 'Embargoes and pipedreams', *Foreign Policy*, Fall 1982, for details of the pipeline issue.

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credits for the Soviet Union and some other CMEA countries. This, however, was not enough to satisfy the advocates of economic denial who held the upper hand in Washington at that time. The Versailles summit was used to bring pressure on the Europeans to follow the more restrictive US policy[3] but failed, and the US resorted to extraterritorial application of the Export Administration Act in an effort to force the Europeans to comply with US policy. Once more, the European governments resisted and, in the summer of 1982, openly defied the US embargo on oil and gas equipment. In the face of this unified stance by Europe, the Reagan Administration was obliged to rescind its pipeline embargo in November 1982.

Containing divergence

When the US lifted its embargo, agreement was reached with the Europeans on a series of multilateral studies and talks within CoCom, the Organization of Economic Co-operation and Development (OECD) and the economic committee of Nato. A regular review of CoCom control lists was scheduled for the autumn of 1982. Talks were also agreed on what became known as 'other high technologies' (OHT). As part of its policy of making multilateral controls more effective, the US wished to reassess controls on the basis of its list of military critical technologies which had been drawn up largely by the Department of Defence. Ambiguity in US policy objectives made many European governments reluctant to accept such criteria. It was not clear whether the military critical technology list (MCTL) would be limited to technologies of immediate military application, or whether it would also include technologies of primarily economic importance. In any case, European governments hold the view that the effectiveness of CoCom relies on consistency and genuine consensus on what should be controlled, both of which could be jeopardized by the more ambiguous list of controlled technologies as opposed to more concrete controls on hardware. In a compromise, the OHT talks were set up outside the normal CoCom list review process.

Having failed in their bid to stop the Europeans exporting oil and gas equipment for the Urengoy pipeline, the Americans attempted to bring up the issue in the framework of 'other high technology' talks . However, the fact that oil and gas are primarily of economic rather than military importance tended to confirm European concern at the ideological thrust of US trade policy. This is borne out also by current US efforts to include robot technology in CoCom controls.[4] The increased use of industrial robots, which has enhanced productivity in the West, is something the Russians would like to emulate. With only 3,000 industrial robots in 1982, the Soviet Union has set a target of 100,000 by 1986 and has concluded specialization agreements with other Comecon countries in the pursuit of this objective. Should the West therefore embargo the transfer of robot technology in general, or only where it has immediate

[3] See Stephen Woolcock, 'The Versailles summit and East–West trade', *The World Today*, July–August 1982.

[4] *Financial Times*, 13 May 1983.

military application? Such decisions can, of course, only be made on a case-by-case basis as is done in the CoCom reviews.

In an attempt to make CoCom more responsive to US strategic concerns, the Reagan Administration is also seeking a number of institutional changes. In addition to harmonizing existing national security control procedures, on which the Europeans have been generally co-operative, the United States would like to set up an advisory group of military experts. This would redress the present predominance of European trade officials and make CoCom more attuned to US strategic objectives. So far, the majority of European governments have opposed such a move. The United States also wants to formalize and strengthen CoCom's institutional framework. Its present informal status means that decisions must be unanimous to be effective, and the lack of a strong secretariat—that decisions are taken in national capitals where trade interests again dominate European decision-making.

The OECD and its International Energy Agency (IEA) have contributed to the debate by producing two yet unpublished largely factual reports, one on general trade and credit flows and one on European energy security. The OECD report sought to analyse whether trade—with the exception of that controlled for reasons of national security—and credit are conducted according to sound economic criteria. It stressed that the increased use of countertrading practices, or barter, by Comecon countries could become a problem.

With regard to credit, agreement was reached in 1982 on measures which substantially reduced the element of subsidy in Western export credit. Current talks have therefore focused on the use of official guarantees, the percentage of credit covered by guarantees, as well as the broader question of gearing minimum interest rates on credit to market interest rates. The United States and Europe differ on whether official guarantees constitute a subsidy. The US tends to define a subsidy as anything which is not determined by 'the market'. This includes official export credit guarantees as these result in more credit being provided than would be the case in their absence. Europeans only talk about subsidies when the state incurs costs, which is generally not the case with guarantees except in the case of default. The Europeans are very unlikely to accept the US definition. There is more chance of an agreement on reducing the maximum percentage of credit covered by guarantees which at present stands at 85 per cent. On the question of linking minimum interest rates to market rates in general, there appears to be some convergence, with more European governments accepting the principle of automatic adjustment of minimum rates when market rates change.

The IEA study does not appear to have resolved transatlantic differences over East-West European energy projects. The IEA report referred to a vague need to avoid 'undue dependence' on Soviet sources of supply, and for more effort in developing Western sources of supply. The United States was unsuccessful in getting any quantitative ceilings on European energy dependence.[5] Given the weakness of demand for natural gas in Western Europe, future

[5] *International Herald Tribune*, 10 May 1983.

energy projects are in any case more likely to take the form of providing Western equipment to increase domestic Soviet consumption, such as contracts for synthetic fuel plants to convert brown coal into synthetic fuels.

The Nato study on the strategic implications of East–West trade only appears to have confirmed the difference between the American and European positions. The United States continues to see East–West relations, and thus East–West trade, in terms of ideology, whereas Europe continues to believe in the long-term objectives of détente and a more pragmatic approach to trade.

Compared with the talks in the spring of 1982, these post-embargo talks were more structured. Whilst they have not produced a consensus, they have succeeded in containing the transatlantic differences. The US State Department, under the Secretary of State, George Shultz, has also been more effective in managing the debate on East–West trade within the Reagan Administration. Assisted by a greater awareness of the need to avoid a repetition of the open rift with the Europeans which followed the Versailles summit, and by more active lobbying by US business, the State Department has been able to avoid any further unilateral US measures. The Secretary of State cannot, however, be expected to change the general thrust of US policy. As he pointed out at the OECD ministerial meeting prior to the Williamsburg summit, he sees [European] 'political interference [as] maintaining East-West trade' not [US] political interference trying to restrict it. Technology transfer is also seen as 'conveying advantage to the East not compensated for by the raw materials and semi-finished goods we [the West] receive in return'.

A few weeks before Williamsburg, the United States still looked as if it might again use the summit to press the Europeans further on East–West trade because of the relative lack of progress in the post-embargo talks. In these final weeks, European governments and the EC Commission emphasized that such a move would be firmly resisted by Europe and would thus jeopardize the Williamsburg summit. The fact that the British and Federal German governments made this very clear may have had an impact on the White House. These two governments were President Reagan's closest ideological allies in Europe, and could be expected at least to tone down France's more vocal attacks on America's large budget deficit and the associated high real interest rates which threaten to smother any economic recovery in Europe. Rather than risk alienating these important summit countries, the White House accepted a low profile on East–West trade. As a result, the communiqué merely stated that 'East–West economic relations should be compatible with [the West's] security interests.' It simply 'took note' of the post-embargo studies and talks in CoCom, the OECD and Nato and 'encouraged continuing work by these organizations, as appropriate'.[6]

Potential for future tension

Transatlantic differences have been contained for a time, but there is little

[6] See *Williamsburg Declaration*, London Press Service, Verbatim Service 049/83, Monday, 30 May 1983.

evidence of any real convergence. For Europe, the experience of the past two years has tended to confirm the view that the United States has not been able to apply export controls in regard to East-West trade with any degree of consistency. European governments are therefore even less likely to contemplate following any future American lead which departs significantly from the status quo than they have been in the past. If Europe's political and economic interests lie in stable East-West economic relations, the predominant view in Washington remains that existing policies enable the Soviet Union to exploit Western technology and credit and to prop up its ailing economy thus helping it sustain its military effort which in turn necessitates increased Western defence expenditure. With Europe seeking to maintain the status quo, the future tone and content of the transatlantic debate again depends on how the United States responds to the failure of its attempt to harness European economic leverage to US political/strategic objectives.

The debate in the United States is now focused on the legislative process and the EAA, which is due for renewal by September 1983.[7] The Administration's draft for renewal of the EAA reflected a desire to restrict East-West trade more effectively than in the past. On the question of powers to apply the US law on controls extraterritorially (i.e. to affiliated companies overseas), which precipitated the major rift with Europe over the pipeline embargo, the Administration would not only retain such powers but would extend them in the form of a US import ban on the products of certain foreign companies (see below) which defy the extraterritorial application of US national security controls. The EAA differentiates between national security controls, such as those largely covered by CoCom, and foreign policy controls. The import-ban provision is justified on the grounds that it will improve enforcement, especially in the case of non-CoCom countries re-exporting US technology to Comecon countries. It could, however, be used as a unilateral US substitute for multilateral controls in CoCom. For example, if European governments did not agree to put robot technology on the CoCom list, the United States could add them to its national control list. Any foreign company owned or operated by Americans, or licensing or using US technology, could then be subject to the threat of an import ban in the US. Controls on the exports of robot technology could therefore be achieved without multilateral agreement.

European governments and Congressional and business opinion in the United States are against such import bans. American business is concerned that such an extension of extraterritoriality would further damage US exports as other Western companies avoid reliance on US technology for fear of unpredictable, politically motivated export controls. The interests of US business are reflected in alternative draft legislation in the House of Representatives. The liberal Bonker Bill (H.R. 2971) would remove the import ban provision as well as the need for licences for US exports to CoCom countries. The Bill would

[7] For details on the existing Export Administration Act, see Stephen Woolcock, *Western Policies on East-West Trade*, Chatham House Paper, No 15, May 1982 (London: Routledge and Kegan Paul, 1982).

also reduce Presidential discretion on foreign policy controls by providing for full contract sanctity, which means existing contracts would not be broken by foreign policy sanctions unless authorized by Congress. It would also require Congressional authorization of the extraterritorial application of foreign-policy controls. The Bonker Bill is therefore a lesser evil for Europe than either the Administration's proposals or the Garn/Heinz Bill introduced in the Senate, which retains the import ban and only requires the Administration to determine that extraterritoriality will not have a negative impact on relations with allies. Similar criteria were included in the 1979 EAA but did little to restrain the US Administration in 1982.[8]

Both the Bonker and the more restrictive Garn/Heinz bills will probably be debated in the House and Senate in July. Given the difference between them, a compromise in conference may well include some of the more restrictive clauses of the Senate bill. Whilst the final outcome is uncertain, US business and Congressional opposition to the on-off 'light-switch diplomacy' of export controls and embargoes has focused on foreign policy controls. It is harder, politically, to oppose controls which are justified on grounds of national security. Consequently Congressional authority for extraterritorial application of the EAA, in the Bonker Bill, only applies to foreign policy, not national security controls. The provisions on national security may therefore be more restrictive than under the present EAA, with the result that negotiations with Europe in the context of CoCom will remain contentious. Business and Congressional lobbies could well succeed in reducing Presidential discretion on foreign policy controls, with the provisions on extraterritorial application, contract sanctity and consideration of the effectiveness of unilateral US sanctions when there are other Western sources of supply (foreign availability). It is very unlikely, however, that the final EAA will deny the President powers to use foreign policy sanctions. Given the continued divergence between the general American and European approaches to East–West economic relations, the potential for more disputes over foreign policy sanctions will remain, as will continued difficulties over what should and should not be covered by national and multilateral security controls.

[8] For an early summary of the various bills, see 'High-tech US exports pose dilemma for policy-makers', *Congressional Quarterly*, 26 March 1983.

Bangladesh in search of stability

ALEX DUFFY

'. . . BANGLADESH has shown political resilience which, no doubt, has surprised many who did not think it viable in 1971. It has bounced back after two tragic assassinations of its leaders, . . . and is, barring misfortune, on a path towards representative and participatory government. Clouding the horizon are a difficult economic scene, a still rapidly growing population, and—although the hope is that such fears are unfounded—an ambiguity in the role the military sees for itself.'[1]

A month after the publication in *The World Today* of this conclusion about the first ten years of independent Bangladesh—on 24 March 1982—the Chief of the General Staff, Lieutenant-General Hossain Mohammed Ershad, became Chief Martial Law Administrator (CMLA) and de facto ruler of the country. He immediately decreed Martial Law throughout the country, suspended Parliament, banned all political activity and public meetings, and made any criticism of Martial Law an offence. In his first year in power, General Ershad concentrated his energies on a two-part National Recovery Programme (NRP), the first part of which was centred on measures to improve the country's economic performance and prospects whilst the second part focused on changes in the machinery of administration to make it more flexible and bring it closer to the rural peasantry who make up 90 per cent of the country's population. As the second year of his rule begins, General Ershad has turned his attention to the nature and structure of government and political life in the country, reasserting his pledge 'to return sound democracy and fundamental rights to the people' whilst at the same time ensuring that 'after impartial national level elections the elected government can run the state affairs uninterrupted for its full period'.[2]

24 March 1982

In May 1981, President Ziaur Rahman was assassinated in an unsuccessful coup attempt, and Vice-President Abdus Sattar assumed the Presidency until fresh elections could be held in November of that year, which Sattar himself

[1] Craig Baxter, 'Bangladesh at ten: an appraisal of a decade of political development', *The World Today*, February 1982. For the early history of Bangladesh, see W. Klatt, 'The Indian subcontinent after the war', *ibid.*, March 1972; William J. Barnds, 'The Indian subcontinent: new and old political imperatives', *ibid.*, January 1973; Stephen Oren, 'After the Bangladesh coups', *ibid.*, January 1976.

[2] Lt. General H. M. Ershad, *Address to the Nation* (Dacca: Government of Bangladesh Printers, March 1983), p. 8.

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won. After the elections the Bangladeshi Armed Forces proposed that the new President appoint a strong inner Cabinet, which would have a clear and consistent programme geared to the country's economic and social needs and in which the Armed Forces would have a senior representative.

This unusual step was taken because the Armed Forces believed that all governments since Independence—itself achieved by a loose coalition of soldiers and political neophytes acting ahead of a non-existent political lead—had failed. The country's two major historical leaders, Sheikh Mujibur Rahman and President Ziaur Rahman, had been unable to establish a consensus stable enough to avoid their own assassination, whilst the two Parliaments of 1973 and 1979 had been elected under the shadow of war or military power and rendered ineffective due to their control by political parties whose sole raison d'être was supporting autocratic rulers. The civil service had not played its role owing to inefficiency and its growing links with corrupt political faction leaders and unscrupulous businessmen. The lack of leadership at the national level meant that the rural peasantry could get only limited support in their efforts to ensure economic survival in a desperately poor country. No coordinated plans were being made or implemented to try to ameliorate the economic situation. In brief, 'democracy had not been given a chance'.[3]

In these circumstances, President Sattar decided to appoint General Ershad as CMLA rather than form a civilian government. Under the Bangladeshi Constitution, the Head of State may appoint a CMLA (or hold the post himself) when he sees a risk to the sovereignty of the state or believes that the government is unable to rule (a provision similar to Article 16 of the Fifth French Republic Constitution). However, General Ershad's appointment is usually considered a constitutional coup d'état because President Sattar was pressured by the Armed Forces into the appointment and unable to exercise his free judgement, which is an indispensable condition for a President's right to appoint a CMLA. The army contended that the perceived weakness of the government's writ and the alleged political and economic morass in which the country had sunk were sufficient grounds for the appointment of a CMLA, but in reality only the government's programme was at risk, not its ability to rule.

Irrespective of the question of the legality of General Ershad's accession to power, an interesting aspect of his appointment is the retroactive claim by some elements of the Armed Forces that they had a 'supra-legal' constitutional obligation to take power. The reasoning rests on their definition of the functions of any armed forces and on a novel interpretation of the decree appointing General Ershad as CMLA. They start by saying that the armed forces have three functions under the law: (i) to guarantee the territorial integrity of the nation, (ii) to assist properly constituted authorities in maintaining internal safety and order in exceptional circumstances, and (iii) 'safeguarding the nation'. The first function is perfectly straightforward; the second function is

[3] Lt. Gen. H. M. Ershad, Interview in *Far Eastern Economic Review* (Hong Kong), hereafter *FEER*, 24 December 1982, pp. 28 and 29.

rather more ambiguous but can be compared to the emergency assistance rendered by the British Army during the firemen's strike in Britain in the autumn of 1977. The usual interpretation of the third function is that in certain extreme cases, such as war, invasion or natural catastrophes, which result in the government being unable to exercise its lawful authority, the Armed Forces can assume the legal role of the state until a normal situation is restored. In this case, however, it is argued that, by the very act of signing the decree appointing General Ershad as CMLA, President Sattar had voided the state and that, as no other authority could or would exercise power, the Armed Forces had the constitutional obligation to assume power through the Head of the Armed Forces. The argument is then completed by saying that if General Ershad as Head of the Armed Forces and CMLA hands over power to a properly constituted authority in the future, the third function of the army's intervention will have been fulfilled.[4]

General Ershad has not pronounced himself in public on the subject and has consistently acted within the letter of the law as CMLA, but neither has he denied the 'third function' argument in public. Thus, if his regime is successful, his successor could claim that the 'third function' argument has been upheld by the facts and that, therefore, any future head of the Armed Forces could intervene whenever he felt it was justified and claim to be acting in complete accord with the accepted interpretation of the Constitution. Should General Ershad fail in his programme, the advocates of the 'third function' could claim that he had acted merely as CMLA so that the 'third function' argument had not been put to the test.

National Recovery Programme

General Ershad's stated objective is 'a revolutionary change in the country'. He has said that 'the present government is determined to lead the country towards progress by bringing about a change in the economic and social structure.'[5] For this purpose, the General has instituted the National Recovery Programme (NRP).

The first part of the NRP is concerned with economic measures meant to improve the country's agricultural performance. This is partly because General Ershad gives priority to extending 'the fruits of political freedom to the common man through economic emancipation'[6] but it is also aimed at eliminating the present use of scarce foreign aid to pay for food imports in a country with fertile soil and up to three growing seasons. Thus, the main concentration has been on increasing net food output from domestic resources. In the first place, a nationwide birth control programme aims to reduce the birth rate from its present very high 2·7 per cent per annum (which means that the first 2·7 per

[4] Much of this interpretation is the author's own, based on extensive conversations in London and Dacca with representatives of the government; but this point of view is also made by implication in Lt. Gen. H. M. Ershad, *Face to Face* (Dacca: Government of Bangladesh Printers, June 1982), p. 11.

[5] Ershad, *Face to Face, op.cit.*, p. 9. [6] Ershad, *Address to the Nation, op.cit.*, p. 2.

cent of extra food production per annum now goes on feeding new population rather than increasing relative availability per head) to 1·5 per cent by 1984 by ensuring that 50 per cent of couples of child-bearing age will be practising some form of birth control by then; the longer-term objective is to reduce the population growth rate to 0 per cent by 1990. The second set of policy measures seeks to increase actual food production by building on the successful policies of previous administrations. The NRP aims to continue introducing new higher yielding and more nutritious crops such as wheat and miracle rice (IRRI strains from the Philippines). A new mixed shareholding Fertilizer Distribution Corporation has provided greater availability of cheaper fertilizers, better suited to Bengali soil conditions and growing methods. Land reform has continued to raise the number of peasant farmers who own the land they till, thereby increasing their incentive to improve output. Trained agricultural assistants have been sent into the villages to disseminate modern growing methods adapted to a traditional culture.

There is, nevertheless, a long way to go on the economic front. Although food output has increased over the years, there is no industrial capacity to speak of and no exploitable natural resource apart from jute, the market for which has been very poor in recent years. The country has received over US $10 billion of foreign aid since Independence, mainly to meet its payments gap for the import of fossil fuels and industrial goods, in addition to food imports. There is no loose pool of investment capital in the country nor are surpluses being generated in the rural economy. With the political instability prevailing until 1982, there was a growing reluctance from hard-pressed aid donors to continue supporting Bangladesh. This is why General Ershad has attached so much importance to the goal of economic self-reliance whilst at the same time ensuring political stability.

On the administrative side, the NRP consists of an integrated series of reforms whose purpose is to decentralize substantial parts of the government machine and make it more accountable to the rural population. This is meant to improve both the economic performance and the national solidarity of the rural people. General Ershad has stated that previously 'because of centralization, too much power has been concentrated in certain hands. They (the bureaucrats) have so many things to do that ultimately they can't do anything. So let the people at the lower level do their chores, and let the secretaries sitting in Dacca—the government machinery—do the planning. We arrange for the money, we do the budgeting, and let the people implement . . . I am trying to give a grass-root-level democratic institution.'[7]

As a first step the eighteen governors appointed by the central government have had their terms of reference changed: from now on, they must reside in their governorates instead of, as previously, living in Dacca remote from the people. The second step was a re-organization of the legal justice machinery. Three new courts of appeal outside Dacca have been created so that now appeals will not always have to be referred to the centre; in addition, the powers

[7] Ershad, *FEER* Interview, *loc. cit.*, p. 28.

and competences of local courts have been increased so as to make it possible to settle more cases locally without having to go to appeal. The third step, and the most important in its implications, has been the complete reorganization of the structure and powers of the 258 local government districts (Thanas). From now on Thana chairmen will be elected, rather than appointed by the central government as hitherto. At the same time, the powers of Thanas have been widened to include a measure of economic planning. Thus, Thana chairmen will be able to represent to central government the goals and needs of the local populations, rather than acting solely as conduits for central government decrees. These measures are meant to change the local government structure of Bangladesh from that which prevailed under British or Pakistani administration into one where local government is simply the lowest tier of national government, but has as much democratically based power for its functions as Central Government.[8]

The National Recovery Programme is a major innovation for Bangladesh and appears to have met with a wide measure of support, but it will only be really effective if national government can also be made to work.

Political life

From the first, General Ershad made it clear that he planned to restore democratic rule, but that he would begin by making certain changes in the country's institutions to ensure that a democratic regime could survive. His overriding imperative seems to be his belief that 'a developing nation like ours cannot afford instability'.[9] In this young country with its troubled history, General Ershad argues, the only way instability can be dampened is if 'the armed forces can work as a balancing factor in the social and political field'.[10] He has therefore called for a National Dialogue with the existing political parties with a view to agreeing a series of constitutional reforms to be implemented before national elections, which would be held late next year.

Concurrently with these ideas of reform, normal diplomatic and political activity has continued in the country. On the diplomatic front, General Ershad has followed the three basic guidelines of Bangladeshi foreign policy laid down by President Rahman: first that Bangladesh should seek to maintain excellent relations with its giant neighbour, India, and give it no cause to interfere in Bangladeshi internal affairs; secondly, that Bangladesh should base its relations with all other nations upon the country's perceived need for foreign economic assistance rather than on ideological criteria; and, thirdly, that it should maintain particularly close economic and political links with neighbouring Asian states so as to reduce its dependence upon India. In addition, General Ershad has further developed the links President Rahman had built up with fellow Muslim states. The next Islamic conference summit will be held

[8] Most of these measures are spelled out in 'Resolution on the Reorganization of Thana Administraton', *Bangladesh Gazette*, 23 October 1982, and are also briefly described in *Bangladesh Fortnightly Bulletin* (Dacca: Government of Bangladesh), Volume VI, No. 19, 1 April 1983.

[9] Ershad, *FEER* Interview, *loc. cit.*, p. 29. [10] Ershad, *Face to Face*, *op. cit.*, p. 19.

in Dacca next December, by which time Bangladesh hopes that its candidate will become Secretary-General of the conference, and King Fahd of Saudi Arabia has accepted to make a state visit to Bangladesh.

On the party political side, the banned political parties and their leaders began to express muted opposition to Martial Law from November 1982, when Awami League and BNP leaders held illegal public protest meetings. In January and February 1983, these protests escalated into riots when student activists came out in protest against proposed reforms in education and public life designed to enhance the role of Arabic and Islam at the expense of Bengali and secular traditions. After an initially timid response, the army cracked down: at least three persons were killed and abour thirty prominent political leaders were taken into protective custody for a brief period, along with about 1,300 students.[11] When General Ershad called for a National Dialogue last February, the political parties at first refused the offer; but when he announced the release of political leaders from detention and relaxed slightly the ban on political activities, a substantial proportion of the established party leaders agreed to the talks which have now begun. The BNP party, founded by the late President Rahman and thus leaderless since his assassination, split in March 1983 into two factions, one of which will probably take part in the Dialogue; the other major party, the Awami League, remains united and is likely also to take part in the talks.

General Ershad's timetable and programme for elections and consequent return to democratic rule, is that local government elections should take place in late 1983,[12] by which time all Constitutional and political reforms should have been agreed: national elections should be announced in the spring of 1984, along with the final results of the Dialogue, and take place in late 1984 (there is always a break in all activity in Bangladesh over the summer months due to the extreme nature of the summer monsoon). This timetable is probably linked to the fact that General Ershad's own non-renewable tenure of office as Chief of the General Staff, and therefore his legal basis for holding the post of CMLA, expires in December 1984.

Before embarking on talks with the parties, General Ershad had moved to eliminate what he sees as one of the major problems of Bangladesh: corruption. A series of Special Martial Law trials of prominent politicians from the Rahman and Sattar years on charges of corruption and abuse of power has begun. General Ershad has said that '*it is essential to give exemplary punishment* to a man guilty of corruption so that the incidence of offence comes down.'[13] The most prominent person so far convicted has been Moudud Ahmed, a former Deputy Prime Minister under President Rahman. The legal correctness of his conviction has provoked great controversy.[14]

[11] See the European edition of *Time* Magazine, 28 February 1983, p. 20.

[12] Bangladesh High Commission in London Press release No. 17, March 1983, and *Address to the Nation*, *op.cit.*, p. 7.

[13] Ershad, *Face to Face*, *op.cit.*, p. 11.

[14] See, for example, *The Economist*, 8 January 1983, pp. 39 and 40, and 2 April 1983, p. 83.

There is much interest in the specific proposals the General will make once the Dialogue really takes off. He has said that foreign affairs, the management of the economy and defence should not be discussed,[15] therefore (by implication) only institutional and constitutional matters are likely to be brought up. The General feels strongly that the country needs long-term stability which can only be achieved by a strong centralized executive, but also that this very notion is difficult to reconcile with full democratic principles: 'In a way this is good for a developing nation; in a way it is against democratic principles.'[16]

General Ershad's solution to this problem seems to be to institutionalize the role of the Armed Forces in the Constitution, but within strict limits. According to his logic, there are three basic power sources in Bangladesh: that of money and its consequent personal power, that of the ballot box and its moral power which can be abused by politicians, and that of the Armed Forces which have real physical power and their own conception of the nation's welfare. The corruption trials are meant to show that no wealthy individual (or class) can use money in politics to enhance his power. The Thana and administrative reforms are meant 'to create an atmosphere in which educated, honest and active people will be interested in participating in Thana elections.'[17] At the national level, the power source which needs to be harnessed into an agreed political framework is the Armed Forces themselves. General Ershad would argue that the political leaders and system, to which the Forces should normally be subservient, have not lived up to their democratic obligations and ideals, and that therefore checks and balances must be created to allow the Armed Forces and the political institutions to work within a parallel and agreed system based upon the Constitution.

General Ershad is expected to propose that the Head of the Armed Forces has guaranteed access to the Head of State on certain conditions. This step will provide a safety valve for the Armed Forces to express their concern and grievances, rather than forcing them, as at present, to resort to coup d'états. In addition, it is likely that Armed Forces personnel and officers will be allowed to hold certain administrative and technical posts in the government machinery. This should ensure that the undoubted administrative and managerial skills in the Armed Forces are more widely used in a country which is very short indeed of such skills. The third probable reform is to make it possible for some of the younger more politically motivated officers to resign from the Armed Forces and join a new or existing political party through which they could channel their ideas. Thus, the misgivings in some parts of the Armed Forces about their present direct involvement in politics might be eased, whilst the political officers would be able to maintain their links with their fellow officers. In addition to the specific reforms suggested above, it is very likely that the 'third function' of the Armed Forces referred to earlier will be allowed

[15] Lt. Gen. H. M. Ershad. Interview in *Ittefaq* (Dacca), Bengali Language daily newspaper, 3 April 1983.

[16] Ershad, *FEER* Interview, p. 29.

[17] Ershad, *Address to the Nation*, *op.cit.*, p. 7.

to recede into the background, merely serving as a reminder to party politicians that the Armed Forces might intervene again if they had strong objections to future developments.

It is difficult to tell how the political parties will react to these measures, and one of the key questions that remains unanswered is what role General Ershad himself plans to play after 1984. If the Dialogue should lead to proposals for a strong Presidential system, thought to be General Ershad's own inclination at the moment, it would not be illogical for the retired General to run for the post; but if the Dialogue leads to a Parliamentary system, General Ershad is more likely to stay in the background.

Through a complex series of administrative and political steps, General Ershad is trying single-handed to evolve institutions capable of setting the stage for a stable government in which the heterogeneous power sources in the country are channelled into a unified system. The General appears to want to effect this reconciliation by amending the country's institutions to allow the Armed Forces to play a limited, democratic, role in the running of the country. If the National Dialogue succeeds in making this a reality, the ambiguity over the army's role will have disappeared and Bangladesh may come out of the experience a stronger and more united country.

Mahathir's Malaysia

STUART DRUMMOND

WHEN Dr Mahathir assumed the office of Prime Minister almost exactly two years ago, there was widespread prediction of an uncomfortable life for all. It is true that his image as a Malay 'ultra', which still persisted when he became Deputy Prime Minister in 1976 and caused very real anxiety among the non-Malay communities, had been considerably changed by his actual performance in office. He had acquired instead a somewhat un-Malay reputation for brutal directness and impatience with those who fell short of his own standards of competence and probity no matter to which community they belonged, as well as for seeking the swift surgical solution to a problem. His notorious remarks on how to keep the Vietnamese boat people away are an extreme example. And so in the first few months of his administration there was an atmosphere of unease, even of tension, as the precise direction of his policies was revealed.

The 'two Ms'

Paradoxically, almost from the start, the new government displayed a fairly

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liberal face. This was helped by the very different style of Dr Mahathir's deputy, Datuk Musa Hitam, who appeared relaxed with the press and willing to listen to, if not always accept, the arguments of critics. Behind the smile and affability there is a very considerable toughness as was evident during the battles he fought while Minister of Education; he could hardly have reached the position of Deputy PM otherwise. But it was appropriate that it was Musa in his capacity as Minister of Home Affairs who very early set the tone by releasing several important political figures from prison. Most prominent was Harun Idris, the former Chief Minister of Selangor and idol of the UMNO (United Malays National Organization) youth, who had served 41 months for corruption, but there were 21 detainees held under the Internal Security Act (ISA). A number of these belonging to the Left included Abdullah Ahmad, one of the prominent Malay figures accused in 1976 of furthering Communist ideas, two members of the opposition DAP (Democratic Action Party) and Kassim Ahmad, Chairman of the small radical Partai Sosialis Rakjat Malaysia (People's Socialist Party). At the other extreme were 11 members of the fanatical Pertubuhan Angkatan Sabilullah (Muslim Holy Army) who had been involved in the 1980 rice price riots in Alor Star.

Musa pointed out that there were still 586 ISA detainees and that no one should assume that the government was adopting a less anti-Communist stance. This hardly needed underlining given the recent discovery that Dr Mahathir's Political Secretary had been a Soviet agent and the associated expulsion of three members of the Russian embassy staff. On the other hand, the release of some political detainees was probably symbolic of the wish of Mahathir and Musa (the 'two Ms' as they have been dubbed) to smooth over differences within society and particularly to heal wounds within the Malay community. A further step was Musa's decision to exempt Harun Idris from the restrictive provisions of the Societies Act and so allow him to take up the position of Vice-President of UMNO to which he had been elected in June.

The lash of Dr Mahathir was reserved for others, notably certain foreign powers, but also civil servants and those whom he felt to be lacking in industry and honesty. Time clocks were installed in Ministries, which at least had the effect of putting the Kuala Lumpur rush hour back before 8 a.m., while ministers and senior civil servants were made to declare their and their families' assets and interests. The National Bureau of Investigation was notably active in investigating bribery and other questionable practices, but it was when a leading UMNO politician in Kedah was accused of accepting a £2,500 bribe that the campaign was really taken seriously.

Although able to increase its popularity through attacks on such targets, the government was still subject to criticism from several sources. One major attack came from the 115 diverse organizations banded together in SACC (the Societies Act Co-ordinating Committee) to resist the amendments made to the Societies Act during the last few months of the Hussein government. These were designed to prevent political activities being carried on under an apparently innocent cover and required organizations to register either as

political bodies or friendly societies. The latter were to be effectively barred from political activities including acting as pressure groups. Many of the opponents of the Act were highly respectable pro-establishment organizations concerned that they might be so gagged and shackled as to be unable to further their members' interests. The most outspoken critic was the founder and chairman of the SACC, Anwar Ibrahim, better known as the President of Abim, the Muslim Youth Movement. Abim was at odds with the government over much of the rest of its policy, accusing it of ignoring Islamic values, and claiming that in promoting the New Economic Policy it was simply creating a tiny group of rich Malay businessmen and neglecting the real problem of poverty in the Malay rural areas. By far the most significant manifestation of the *dakwah* (missionary) movement, Abim was estimated to have some 40,000 members spread across the country, and was considered by many to have become a more effective vehicle for protest than Parti Islam (PAS) whose leader, Mohamed Asri, appeared to have lost something of his old drive. A Young Turk movement aiming at replacing Asri existed, and, although Anwar denied this, it was reported that he was linked with it and had political ambitions to replace the veteran leader.

From the Chinese and Tamil communities there came an attack on the government for its handling of the new primary school curriculum, the 3 Rs. A pilot scheme was to be mounted in 302 schools, but it emerged that the guide to teachers was available only in Bahasa, and that musical and other material was mostly based on Malay sources. Administrative clumsiness appeared mainly to blame, but Chinese organizations including not only the opposition DAP but also the MCA (Malaysian Chinese Association, the senior Chinese component in the governing National Front) were up in arms. Bitter protests were made that it was an underhand attempt to make Bahasa the sole medium of instruction in primary schools, in defiance of the Constitution. The affair blew up when many Chinese were still sore over the government's refusal to countenance a Chinese language university, and it showed how very sensitive the Chinese were to the slighest suggestion of a threat to their culture.

The agitation occurred just as the government had begun to win the trust of the Chinese, and it is not suprising that it acted swiftly and effectively to reassure the protesters, especially since Mahathir planned to hold a General Election shortly. It should be added that the Chinese parties which formed part of the governing Barisan Nasional (BN, National Front) were still recovering after bitter internal wrangling inside the MCA and subsequent cross-overs between it and the Gerakan, of which the most important was the defection of Michael Chen, a former Deputy-Chairman of the MCA. Fortunately for the Barisan the opposition DAP had also been racked by disputes which the elections later suggested had been even more damaging, especially in Penang and Perak.

The 1982 election and its repercussions

The long anticipated General Election took place on 22 April 1982. The

previous month the government made two important concessions to opinion, undertaking to review the Societies Act, and, in a move clearly aimed at Malay sentiments, indicating its intentions to found an Islamic University within the next year. More dramatic was the announcement that the Abim leader, Anwar Ibrahim, had decided to join UMNO—a totally unexpected and shattering blow to the PAS—and one followed by Anwar's nomination for the Penang seat of Permatang Pauh.

There had never been any doubt that the BN would win handsomely, the only questions being whether in traditional Islamic areas like Kelantan and Kedah the PAS would make significant gains and whether the DAP would extend its grip on the urban areas of the west coast. The answers to these would show the extent to which 'the two Ms' had won the confidence of the nation and convinced it that their government was, in the words of the BN's slogan, 'clean, efficient and trustworthy'.

The results were better than could have been expected, though with a curious twist. The Barisan increased its share of the total poll by 3·3 per cent to 60·54 per cent and won 132 seats. Since five so-called Independents who won in Sabah as well as two in Sarawak were members of Front parties 'illegally' contesting seats allocated to other Front parties, the real position was even stronger. In peninsular Malaysia, the BN won 61·3 per cent of the votes and 103 seats out of 114. and in doing so largely contained the PAS and routed the DAP. Despite the government's wooing of the traditionalist Islamic vote, PAS held its own with 16·4 per cent of the peninsular vote, 0·9 per cent up on 1978,[1] and retained its five Federal seats. At state level, it achieved something of a comeback in Kelantan with 10 seats out of 36, and although it lost ground in Kedah it compensated for this by winning 5 seats in Trengganu.

The DAP, however, won only 6 seats in the peninsula as against 15 in 1978, 7 of those lost going to its arch-rival, the MCA. In one closely observed contest, the MCA leader, Lee San Choon, took on and narrowly defeated the Chairman of the DAP, Dr Chen Han Min, in Seremban which he had represented for 15 years. Lee had been challenged by the DAP to abandon his safe seat and fight in a constituency where he would have to seek the support of the Chinese urban masses, and his courageous decision to do so greatly enhanced his reputation and that of his party. It is true that he carefully chose the most vulnerable DAP seat, and also true that the DAP vote in the 22 seats with Chinese majorities on the electoral roll declined only by 2 per cent to 46·7 per cent. But it is equally true that in these same seats the MCA and Gerakan pushed their share up from 40·6 per cent to 51·7 per cent,[2] and in any case, it is seats in Parliament which count. The MCA had indeed won a famous victory.

It was, therefore, somewhat surprising, and felt by many as a slight to the Chinese community, that the government reshuffle following its election produced nothing for the MCA. The only new face was Mak Hon Kam. He took over the Labour Ministry from Richard Ho who, having been denied a seat

[1] *Asiaweek*, 7 May 1982, pp. 50–1. [2] *ibid.*, 28 May 1982, p. 37.

by his party, retired from politics. The Gerakan was also disappointed that Michael Chen who had gained Bruas in Perak received no office. Mak was said to be highly regarded by Dr Mahathir as were two new Ministers who moved from posts as Chief Ministers in Malacca and Negri Sembilan states, Adib Adam and Rais Yatim. But the most noteworthy promotion was that of the new star, Anwar Ibrahim, who became a Deputy Minister in the Prime Minister's Department. Then, in September at the UMNO Youth Conference, he moved even closer to the centre of power when he narrowly defeated the incumbent, Suhaimi, to become Youth President, an office automatically conferring a Vice-Presidency of UMNO. Within six months, Anwar had become one of the five most powerful figures in UMNO, an astonishing rise in an organization which has put great store by tradition and been cool to the brilliant.[3]

Anwar had been charged by Dr Mahathir with the setting up of an Islamic Bank, and at the senior UMNO Conference the Prime Minister pointed to this and the proposed Islamic University as an earnest of the government's commitment to Islamic values. He also reminded his listeners that Islam extolled the virtues of hard work, self-reliance and efficiency, and then went on to indicate his concern about the activities of fundamentalists. Laws would be drafted to prevent the abuse of Islamic teachings and values and aimed quite specifically at those in the PAS who 'confuse Muslims and cause them to deviate from the true path'.[4]

The strength of the fundamentalist currents in the north-eastern states was undoubtedly a reflection of universal trends within Islam, but the fact that they had become important within the PAS and thus of concern to the government was also due to internal political struggles. The failures of Asri under whose lead the PAS had been forced out of the Barisan, and then heavily defeated in the following Kelantan state elections, resulted in an opposition movement developing. This was led by *ulamas* (Islamic teachers), particularly in Trengganu, and they linked with radicals in the youth wing to attempt to force Asri out of office. When the election proved disappointing, the pressure became irresistible, and Asri resigned at the PAS conference in October. Yusof Rawa was made acting President, and he brought an infusion of *ulamas* on to the party supreme council. Asri attempted a counter-attack, accusing them of being 'oblivious to the reality of the multi-racial population and plural society of Malaysia' and dreaming of an Iranian-style revolution. PAS *ulamas* have visited Iran, and the PAS youth leader has admitted being impressed by the spirit of the Iranian revolution, though denying that PAS wished either to introduce Shi'ite concepts into Malaysian Sunni religious life or to foment revolution.

Asri was expelled from the PAS in February 1983, and in a short time established a new group, Hisbul Muslimin, uneasily poised between PAS and

[3] As part of a government reshuffle in June, Anwar became a member of the Cabinet as Minister for Culture, Youth and Sport.

[4] *Straits Times*; 11 September 1982: *Asiaweek*, 29 October 1982.

UMNO. It was far from clear that there was a role for such a party. Nor does Asri's expulsion seem to have had much impact on the electorate, for in a state by-election held at Binjai in Trengganu in December, and a federal one at Ulu Muda in Kedah three months later, there was no more than a slight sway away from PAS to UMNO. These results showed that any prospective Ayatollahs were so far being well contained, and the conference of PAS in May 1983 when Yusof was confirmed as leader was a quiet affair. But, at the conference, the fundamentalists firmly dug in, and one of the Vice-Presidents elected was the charismatic religious teacher Haji Hadi Awang, renowned throughout Trengganu as a brilliant and inspiring orator, as well as being a member of the state assembly.

Another difficult issue for the government was how to handle the Societies Act. Promises of concessions had been made prior to the election but when Musa introduced amendments, the new draft satisfied no one despite the removal of the distinction between political and other societies. Complaints were expressed particularly at the lack of any right of judicial appeal from ministerial decisions or of any protection against search. Anwar argued strongly for further concessions and after intense Cabinet discussions, the draft was withdrawn and a new bill over which there would be full consultations with the Societies was promised. In fact, the new proposals that emerged in March 1983 again took the form of amendments, and though greeted as more liberal, still did not meet the complaints about the dangers of arbitrary ministerial action. It is evident that there is a strong group inside the Cabinet insisting on a law which will provide really effective control of Societies.

Compared with these issues, the splits and personal feuds afflicting the non-Malay parties seemed of small moment. Despite tensions in Perak resulting from its electoral disaster there, the DAP greatly increased its majority in a by-election in the state constituency of Kepayang and so demonstrated that it was far from being a spent force. The MCA was at least as divided over the succession to the Deputy Presidency, a post eventually given to Lee San Choon's choice, the Housing Minister, Neo Yee Pan. This squabble went on to a background of rumours that Lee himself planned to resign in 1984. It came, however, as a shock when in April 1983 he actually stood down and also resigned his seat and ministerial post. For a man of 48 to act in this way only a year after his election triumph is difficult to explain. If, as some suggest, it reflected internal turmoil, then the immediate prospects for the new leader look somewhat dismal.

External relations

On several occasions during the last two years, foreign powers have learned that Dr Mahathir's reputation for plain speaking is well earned. Thus, although like his predecessors he has placed ASEAN at the centre of his policy, he was quite blunt in affirming that a visit to Manila was inconceivable while the Sabah claim remained formally in existence. Even relations with Thailand have occasionally been less than smooth. Mahathir's first official visit was not

as tradition dictated to Bangkok but to Jakarta, underlining that—as indeed has been evident since the Kuantan meeting of 1980—Malaysia's views of the major problems of the region are broadly similar to those of Indonesia. China is seen as posing the major long-term threat in the region rather than Vietnam, and the policy of 'bleeding Vietnam white', supported by Thailand, is viewed as likely to result in Chinese domination of the area or to lead to greater Soviet involvement and so to South-East Asia becoming another arena of Sino-Soviet conflict. When the Chinese Premier, Zhao Ziyang, toured the region, Mahathir left him in no doubt that he required the total withdrawal of support from the Communist Party of Malaysia, moral and material, and he followed this by stating his view that Vietnam had neither the intention nor the capacity to invade ASEAN.

Forcefulness has gone hand-in-hand with diplomacy. Dr Mahathir warned the Khmer Rouge that support in the UN would be withdrawn if there was no progress towards a tripartite Cambodian coalition, and the Foreign Ministry subsequently worked hard to facilitate an accord. The result was the emergence of the Coalition Government of Democratic Kampuchea in Kuala Lumpur in June 1982. Nine months later, at the New Delhi non-aligned conference, when Ghazali Shafie seized the opportunity to discuss Kampuchea with Nguyen Co Thach, it almost seemed for a while that a way had been found out of the impasse between ASEAN and Vietnam.

Dr Mahathir has been at least as tough towards some formerly very close associates. He decided not to attend the Commonwealth summit in Melbourne, arguing that little concrete came from such meetings. It was hinted that he felt some coolness towards Australia, but if so, the climate changed as a result of Malcolm Fraser's visit in August 1982. Shortly after this, he announced that he would attend the Commonwealth meeting in Fiji, underlining, however, that he did so in the interest of the small countries. It was, of course, Britain itself which felt the impact of the new toughness most directly. Malaysia with 13,308 students at British institutions was by far the worst affected by the sharp increase in fees in 1979. Musa had reacted angrily and was further irritated by the lack of response by British firms to appeals for help. There were also complaints that firms like Dunlop and Guthrie were frustrating the New Economic Policy by selling shares to non-Malays. The last straw was an alteration to Stock Exchange rules after (but not apparently because of) a successful Malaysian 'dawn raid'. The Prime Minister ordered that all official contracts with British firms should be referred to him, and British goods be purchased only as a last resort. Even the diplomacy of Lord Carrington, who came to Kuala Lumpur in February 1982, produced no more than an agreement by the two countries to examine the obstacles between them. It took a year of patient talking, an invitation to visit Mrs Thatcher and, as part of a new policy over fees, the earmarking of £5 m. to assist Malaysian students over the next three years, to change the buy-British-last policy. Sir Anthony Kershaw, Chairman of the House of Commons Foreign Affairs Select Committee, estimated that it might have cost Britain £50 m.

In contrast, relations with Singapore have never been better. A visit by Dr Mahathir at the end of 1981 settled a number of issues concerning defence establishments—e.g., allowing the Royal Malaysian Navy to use the Woodlands base. Possibly more significant was the change in attitudes implied in the statement that 'Singapore's success story in the economic and social fields cannot but be a model for Malaysia rather than a object of envy.'[5] And Dr Mahathir shared with Lee Kuan Yew a fascination for Japan's economic achievement.

His 'Look East' policy which reflected this had several facets. One was a belief that the West, and particularly Britain, had lost its drive and energy, and another that Japan was now the largest investor in Malaysia as well as its biggest trading partner. In contrast, whereas 30,000 young Malaysians studied in Britain, Australia and the United States, hardly any were trained in Japan. Much could be gained from expanding contacts with Japan and the policy had obvious attractions. There is tremendous scope for Japan to undertake technical training and higher education. In addition, the Prime Minister hopes to inculcate something of the Japanese work ethic into the country. Nevertheless, the sending of 900 industrial trainees to Japan over a period of two years is still only a token, and it is far from obvious that Malaysian managers and workers will take easily to Japanese practices. There is considerable bewilderment in Malaysian public life about what it all means.

Malaysia is changing, and if Dr Mahathir can, he will persuade it to change faster. But he has no easy task. While looking east he must note the pull of Islam in a very different direction, and while encouraging the Chinese work ethic he must still pay attention to the needs of the Malay majority. The governance of Malaysia calls as ever for firmness combined with a sensitive balancing of communal factors.

[5] *Financial Times*, 31 August 1982.

New Zealand and the Pacific Community concept

ANN TROTTER

IN recent years academic circles in Japan, Australia and the United States have taken up the idea of a Pacific Basin Community with some enthusiasm and, in Japan and Australia at least, government support for the concept has been apparent. Such positive lobbies have not been evident in New Zealand, although in the many articles from different sources in which the Pacific Basin idea has been floated, it has been assumed that New Zealand, classified as a developed Pacific country, would automatically be accepted as a founder member of any grouping. The increasing regional interdependence for which 'Pacific Community' has become a kind of code word is, of course, as well recognized in New Zealand as elsewhere in the Pacific. In 1960, 52·9 per cent of New Zealand's exports went to the United Kingdom. By 1980, three of New Zealand's four main markets were in the Pacific Basin, the United States, Australia and Japan each taking an almost equal percentage of exports as the United Kingdom.[1] The proportion of New Zealand exports going to countries round the Pacific is now 60 per cent and changes in imports are in the same direction. There is some uneasiness in New Zealand about the new trade pattern which involves many more, and less stable, markets than in the past and, of course, the 40 per cent of exports which goes to markets other than the Pacific Basin remains of vital importance to New Zealand's economy.[2] The growth opportunities in the Pacific Basin are recognized, but New Zealand remains chary of possible inhibitions a Pacific regional grouping might place on its ability to trade world-wide. A number of statements by the New Zealand Prime Minister and Minister of Foreign Affairs in 1982 acknowledged the potential of the Pacific as the 'ocean of the future', but clearly implied reservations. The Prime Minister declared that he had an 'open mind' on whether the Pacific Basin concept could be brought to fruition.[3] The Minister of Foreign Affairs referred to the Pacific Basin Community idea as a 'visionary concept' with potential in 'both trade and political terms'. He said that eventually 'a

[1] In 1980 the United Kingdom took 14·4 per cent, the United States 14·1 per cent, Australia 12·2 per cent and Japan 12·8 per cent of New Zealand exports. See *New Zealand Foreign Affairs Review*, Vol. 30, No. 4, October–December 1980, p. 31.

[2] Because of the limitations in the size and scope of the world market in dairy products, New Zealand is still highly dependent on access to the British butter market. The lamb market in the EEC is also very important, although dependence on this market has been reduced.

[3] 'The world economy and the Pacific Basin as an economic entity', address by the Prime Minister, Rt Hon. R. D. Muldoon, 11 June 1982, *New Zealand Foreign Affairs Review*, Vol. 32, No. 2, April–June 1982, pp. 5–13.

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loose grouping of Pacific interests capable of mutual advancement through enthusiasm and vitality may be worthwhile' and conceded that 'certainly New Zealand could not for one moment afford to stand aside if there were to be found a will to co-operate together in this way among a range of Pacific countries.'[4]

When in January 1980, the late Japanese Prime Minister Masayoshi Ohira made a brief visit to New Zealand, he and New Zealand's Prime Minister issued a joint statement recognizing that there was 'scope for the development of co-operation among countries of the Pacific region' and agreeing that it was important that Japan and New Zealand continue to work together closely in this field.[5] The New Zealand press reported that New Zealand had given the 'nod of approval' to the Japanese plan for a Pacific Basin Regional Community; that New Zealand's support was crucial to the plan's success; that Mr Ohira was plainly delighted with the reception that the concept had received and that, on the basis of the discussion on the Pacific concept alone, Mr Ohira's visit had been a success.[6]

Nevertheless there was little immediate public interest in this communiqúe or pride in the implication that New Zealand might already be playing a crucial role in the development of a 'visionary concept'. Indeed, informed New Zealanders were more interested in the enthusiastic reception of Mr Ohira's plan in Australian government circles. Like others around the Pacific, they wondered about the motives of Japan and the Australian Prime Minister, Malcolm Fraser. Although, since then, New Zealanders from government, academic and business circles have attended conferences on a Pacific Basin Community—in September 1980 in Canberra and in June 1982 in Bangkok—press and public interest in these conferences has been slight in New Zealand.

New Zealand's specific regional view

The caution with which the concept of the Pacific Basin has been received in New Zealand is partly due to problems inherent in the concept itself and partly the result of New Zealand's special circumstances. One weakness of the Pacific Basin concept is that the region to be embraced is seldom defined. Not one of the so-called Pacific nations has the same mental picture of the Pacific 'region' or, indeed, consciousness of that ocean which gives a common link with often distant neighbours. Each state tends to have a highly specific regional view of its corner of the ocean and its interests in it. New Zealand's case is typical. It is bound to its nearest, though distant neighbours, the islands of the south Pacific and Australia, by a series of bilateral and multilateral arrangements and

[4] 'Identifying with the Pacific', address by the Minister of Foreign Affairs and Overseas Trade, Hon. Warren Cooper, 8 October 1982, *ibid.*, Vol. 32, No. 3, October–December 1982, pp. 20–2; 'Trade and aid in the wider Pacific', address by Minister of Foreign Affairs and Overseas Trade, Hon. Warren Cooper, 30 June 1982, *ibid.*, Vol. 32, No. 2, pp. 13–16.

[5] *ibid.*, Vol. 30, No. 1, January–March 1980, p. 23.

[6] *New Zealand Herald* (Auckland), 19 January 1980; *Otago Daily Times* (Dunedin), 21 January 1980.

these provide a certain sense of community to New Zealand's corner of the south Pacific.[7] New Zealanders perceive the Pacific in terms of the islands to their north and, to a lesser extent, Australia. Because of strong cultural ties and because Australia is also 'across the Tasman', another stretch of water, Australia is frequently seen by New Zealanders as a special case. They do not commonly regard it as being part of 'Oceania' in the same way as is New Zealand.

This specific New Zealand regional view of the Pacific might be contrasted with that of Japan and the United States whose bilateral relationship is so important in colouring their respective views of what constitutes the Pacific and what might constitute a Pacific community.[8] It requires something of a leap of the imagination for New Zealanders to view the Pacific in terms of the United States. In spite of thirty years of the ANZUS alliance and consciousness of the operation of the US security umbrella in the Pacific, American global power, economic significance and cultural affinity assume more importance for New Zealanders than the fact that the United States is also a 'Pacific' nation. Although New Zealand traders have benefited in the past decade from growing markets in California, and although the United States is now New Zealand's second export market, New Zealanders tend, like their Prime Minister, to regard the United States as having its 'lesser seaboard' facing the Pacific.[9]

Of course, this view of the Pacific and the problems inherent in the Pacific Basin concept is coloured by the fact that many among New Zealand's population of three millions have ethnic ties with truly Pacific people. New Zealand Maoris are Polynesian people and over 60,000 Pacific Islanders live permanently in New Zealand.[10] The people of the Cook Islands, Niue and Tokelau, islands which were the object of New Zealand's late nineteenth-century imperial ambitions, have the right of free immigration into New Zealand, and there are special arrangements for Western Samoans whose country was a United Nations trust territory administered by New Zealand. It is frequently suggested that New Zealand will develop ethnically towards a greater mixture of Polynesians.

Special relationship with the Pacific Islands

Certainly New Zealand sees itself as having a special responsibility towards the Cook Islands, Niue and Tokelau and takes a pride in its special relationship

[7] The most effective regional arrangements are the South Pacific Commission, established in 1947 by the colonial powers in the region and now providing for the representation of independent Pacific countries as well; the South Pacific Forum established in 1971 which has a membership of twelve including New Zealand and Australia; the South Pacific Bureau for Economic Co-operation (SPEC) which is the executive arm of the Forum and is based in Suva, Fiji. Australia and New Zealand signed a bilateral agreement for closer economic relations (CER) in March 1983.

[8] See Tessa Morris-Suzuki, 'Japan and the Pacific Basin Community', *The World Today*, December 1981.

[9] *New Zealand Foreign Affairs Review*, Vol. 32, No. 2, April–June 1982, p. 8.

[10] At the 1981 census, 214,798 people indentified themselves as being half or more Maori: *New Zealand Official Year Book 1982*, pp. 69–70, 73.

with these and other small independent island nations like Fiji and Tonga. Between 60 per cent and 70 per cent of New Zealand's official development aid goes to the Pacific islands. The islands' trade is also significant for New Zealand, especially in manufactured goods which make up 50 per cent of New Zealand's exports to this region. The trade is, of course, much more important for the island countries which depend heavily on the New Zealand and Australian markets. By the South Pacific Trade and Economic Co-operation Agreement (SPATECA), a non-reciprocal trade agreement which was signed in 1980, most island products enter New Zealand and Australian markets on a tariff-free, quota-free basis.

New Zealand has not always been popular with Pacific island governments which sometimes see it as adopting a heavy-handed, Big Brother role. New Zealand has also been accused of believing it has a unique understanding of the islands. But the fact is that New Zealand's administrators and businessmen have more experience and a greater interest than most in operating in the Pacific islands and dealing with Pacific island governments. Moreover, New Zealand would clearly welcome some support in its South Pacific activities. The Prime Minister has pointed out that the island countries have 'a host of special problems' and do not share the dynamic growth of the countries round the Pacific rim.[11] He has tried to obtain Japanese support for the ailing Pacific Forum line which provides essential, but so far uneconomic, shipping services between scattered islands and New Zealand and Australia. The Foreign Minister in 1982, soliciting increased US aid for the Pacific islands, urged Americans to 'reach out and embrace' the island nations of the South Pacific.[12]

Some of New Zealand's reservations about the Pacific Basin Community idea are related to the importance attached to the relationship with the Pacific islands and to concern that these islands should not be forgotten in the planning. In 1982, a Tongan Minister was quoted as saying, 'The proposed development of a Pacific Community ignores the "tiny dots" in the Pacific ocean because they provide small markets, have limited resources, little financial capacity, not much clout, and are of low strategic value.'[13] New Zealand's Prime Minister has, however, frequently urged that these islands should not be forgotten. This interest in the fragile island economies and concern for where they might fit into a Pacific Community is unique among the so-called developed nations expected to be at the core of a Pacific Community. In drawing attention to the 'tiny dots', New Zealand sees itself as speaking out not just for its regional group but for small countries with weak economies. It also speaks as the least vulnerable of this vulnerable group of food producers.

The place of the Pacific island mini-states in a Pacific Community appears to

[11] 'The Anzus partners and the South Pacific', speech by the Prime Minister, Rt. Hon. R. D. Muldoon, at a state luncheon for Vice-President George Bush, 4 May 1982, *New Zealand Foreign Affairs Review*, Vol. 32, No. 2, April–June 1982, pp. 24–6.

[12] Report of a speech to the Los Angeles World Affairs Council, *Otago Daily Times*, 11 October 1982.

[13] Report of a meeting of the Pacific Basin Economic Council in Nagoya, Japan, *ibid.*, 1 June 1982.

be a problem which has not yet been addressed. It was suggested in New Zealand that the interest of the island states in the Pacific Basin concept was one of the discoveries of Prime Minister Ohira's visit to New Zealand in 1980, and that the question had probably not been considered before then.[14] Comments of island leaders suggest that they feel either that they have not been properly consulted or that they are in danger of being ignored.[15] Whatever may have been the case in 1980, it is clear that organizers of meetings on the Pacific Community have now been made aware of the sensitivities of the Pacific island governments. Nevertheless, no Pacific island chose to participate in the Bangkok conference in 1982. With its political and economic ties with Pacific island nations, New Zealand must be acutely conscious of their apparent reservations about, and reactions to, the Pacific Community idea.

Attitudes to Australia, ASEAN and Japan

Although it is a special trans-Tasman case, Australia is also, of course, part of New Zealand's Pacific consciousness and is, with New Zealand, a member of regional organizations like the South Pacific Commission and the South Pacific Forum.[16] But to an extent which might appear surprising to outsiders who assume very close bonds and a similar outlook between Australia and New Zealand, the northward focus of Australian eyes, dictated by trade and geopolitical realities which link that country with South-East Asia, is foreign to New Zealand. This northward focus accounts in part for Australia's and New Zealand's different reactions to the Pacific Basin Community. For Australia, there are strategic and political as well as economic attractions in the concept which are less powerful in New Zealand's case.

But Australia is now New Zealand's major trading partner. Recognition of this fact precipitated important moves for closer co-operation. In March 1983, the new Labor government in Australia signed an agreement for Closer Economic Relations (CER), in the long run a free trade agreement, which had been worked out between the New Zealand and Australian governments over the preceding two years.[17] The development of free trade between New Zealand and Australia is likely to enhance the importance of Australia for the New Zealand economy. Given a continued Australian commitment to the idea of a Pacific Basin Community, this developing regional relationship between New Zealand and Australia seems likely to contribute to, rather than detract from, a New Zealand commitment to a wider Pacific Community. It is hoped that CER may have the effect of helping New Zealand equip itself more

[14] A. Haas, 'The views of Pacific Island leaders', unpublished paper for international seminar on New Zealand and the Pacific Basin Concept, April 1980.

[15] A. Haas, 'Development the Pacific way', *New Zealand International Review*, Vol. 5, No. 4, July/August 1980, p. 18; *Otago Daily Times*, 1 June 1982, report of a meeting of the Pacific Basin Economic Council.

[16] See footnote 7.

[17] See Hyam Gold and Ramesh Thakur, 'New Zealand and Australia: Free Trade Agreement Mark II', *The World Today*, October 1982.

effectively to compete in the markets of South-East Asia and may ultimately lead to better marketing strategies in the Pacific.

From time to time during the negotiations for the agreement for closer economic relations, it was suggested that Australia's readiness to sign an agreement was related to its wish to clear up the trading situation with New Zealand in order to be able to concentrate on the expanding and more valuable markets in the member countries of the Association of South-East Asian Nations (ASEAN). While these markets may be more immediately attractive to Australia, the ASEAN countries have also become a focus for New Zealand trade and diplomacy. New Zealand's trade with the group now amounts to over 5 per cent of both imports and exports and, as a group, ASEAN is now New Zealand's fifth trading partner. ASEAN countries are a developing market for New Zealand's dairy products,[18] as well as for its manufactures. Further, the development of Singapore as a financial centre is of considerable interest to a New Zealand government, anxious to attract overseas investment. New Zealand development aid to Indonesia, the Philippines, Thailand and Malaysia is larger than for any other countries outside the south Pacific. Bilateral relationships are complemented by ministerial meetings with ASEAN leaders, New Zealand having, with Australia and the United States, 'dialogue status' which enables them to hold discussions with ASEAN ministers immediately after ASEAN ministerial conferences. In the formulation of New Zealand views on major foreign policy issues, ASEAN interests are plainly being taken into account. So far, notwithstanding the fact that the most recent conference on the Pacific Basin Community was held in Bangkok and the next is to be held in Jakarta in 1983, ASEAN's reponse to the Pacific Community idea has been lukewarm. Quite apart from ASEAN apprehensions about any organization which might undermine its existence or dilute its cohesiveness, it is concerned that a Pacific Community might freeze the status quo by institutionalizing existing trade patterns—a concern shared by New Zealand. However, greater enthusiasm for the Pacific Community idea in ASEAN countries would lead to a more positive espousal of the cause in New Zealand.

New Zealand's relations with Japan, one of its four main markets, have improved in the 1980s after a period of strain in the mid-1970s. When the New Zealand Prime Minister visited Japan in 1981, he declared his belief that Japan and New Zealand could look forward to an increasingly close partnership.[19] At the same time, despite greater emphasis on horticulture and diversification into speciality crops, attention to the particular requirements of the Japanese market and to the opportunities provided by seasonal differences between New Zealand and Japan, problems with the Japanese market remain. Doubts about the Japanese government's willingness or ability to restructure its

[18] The Philippines was the largest buyer of skim milk powder, taking 22,000 tonnes of a total export of 134,000 tonnes, Indonesia the second, Malaysia the fourth and Thailand the fifth. Indonesia bought 6,000 tonnes of the 33,000 tonnes of anhydrous milk fat exported and was the second buyer of this product (after Peru). The Philippines, Malaysia and Thailand were the next largest buyers. See *Otago Daily Times*, 14 April 1983.

[19] *Japan Bulletin* (Wellington), Vol. 4, No. 4, April 1981, p. 1.

agricultural industry colour New Zealand's attitude to Japan and thus, indirectly, its response to the Pacific Basin Community which has much support in Japan but appears to have more obvious attractions for highly industrialized countries than for agricultural producers.

Although New Zealand is classified as a developed country in the Pacific Community discussions, its dependence on agriculture and horticulture for export earnings frequently places it in a somewhat incongruous position among less developed countries. New Zealand's concern with world-wide protectionism in agriculture is not shared to the same degree by any other developed country. A grouping which would address itself to this problem would be of major interest to New Zealand. In this regard, the deliberations of the task force set up at the Bangkok conference to consider regional trade in agricultural products are of special concern to New Zealand, particularly with regard to temperate climate products. Equally, the small but for New Zealand significant export markets for its temperate climate agricultural products in China, the Soviet Union and Latin America also give New Zealand a particular interest in the reaction these countries might have to a Pacific Basin Community and to the question of whether some of them might be expected to find a place in such a community.

If Japan's support for a Pacific Community may have raised questions in the minds of New Zealanders, so too has the unknown attitude of the United States. Apart from Australia, this is the Pacific country with which New Zealand's ties are most comprehensive. At best, the position of the United States has been one of cautious interest. Evidently there will be no commitment until others, particularly ASEAN, are prepared to move ahead. But the attitude of the United States will be crucial to the development of the concept, and not only from the point of view of New Zealand. At this stage, the deliberate attempts being made to minimize government involvement and, among the major powers, to keep a low profile, lend a certain air of unreality to the discussion of the Pacific Basin concept and add to the caution of the New Zealand government which finds its interests in this matter, as has been suggested, in the camps of both the rich nations and the poor.

New Zealand in the 1980s accepts the 'logic of geography' which makes it share the interests of other countries in the Pacific. While there is clearly some resistance to the prospect of creating yet another bureaucracy, there is recognition for the staying power of the Pacific Basin Community idea and its potential value as a forum for New Zealand. But a sense of all-embracing Pacific regionalism transcending sectional Pacific groupings, and commensurate with the existing inter-sectional economic interdependence in the area, will take time to develop. It can come only with greater understanding than exists at present, and out of a conviction of the long-term practical benefits to be won. Plans for the conference in Jakarta in 1983 and in Seoul in 1984 suggest that the learning process will go on. If a true sense of Pacific regionalism is to develop, it seems most likely to come from the gradualist approach. The evidence suggests that this is the approach most favoured by, and likely to be most favourable to, New Zealand.

Notes of the month

THE BRITISH NUCLEAR DETERRENT AND ARMS CONTROL

RECENT suggestions by the Soviet leader, Mr Andropov, and others that the British strategic deterrent should be counted in the INF negotiations between the United States and the Soviet Union have created a great deal of confusion. Many of the comments reveal a lack of understanding of the nature of the weapons under discussion, and the Soviet motivation for trying to confuse the issue.

The UK strategic deterrent is not relevant to the INF negotiations, which are about intermediate-range nuclear forces of the United States and the Soviet Union, particularly—in the first instance—longer-range land-based missiles like the American cruise and the Soviet SS-20. Britain's Polaris/Trident is a sea-based strategic deterrent like the American and Russian modern ballistic missile-firing submarines, which are excluded from INF as a consequence of definitions both in the SALT II Treaty and in the Soviet draft INF treaty itself.

Moreover, the Russians showed by their actions during SALT I negotiations, culminating in the unilateral Soviet statement in the negotiating record on 12 May 1972, that they regarded the British and French ballistic missile-firing submarines as directly comparable to US and Soviet SSBNs covered by SALT and the Srategic Arms Reduction Talks (START).

No comparison with SS-20

Nato held from the outset that nuclear forces of other countries such as Britain and France had no place in the bilateral INF negotiations. The Nato Integrated Decision Document adopted by Ministers on 12 December 1979 stated that 'arms control negotiations involving INF should not include non-US Allied systems nor should the US negotiate with the Russians compensation for such systems'. President Reagan reaffirmed this position in his speech of 22 February 1983.

The real motive of the Soviet leaders in now seeking to count British and French systems in INF is to find an excuse for forcing the removal from Europe of a large part of the existing US nuclear umbrella (i.e. the present INF) and to prevent its modernization. This is in line with their traditional objective of preventing the US from defending Western Europe. They seek to do this by falsely claiming that a balance exists in INF which Nato's planned deployments would upset.

The Soviet Union possesses strategic weapons far in excess of the number required for central strategic puposes. This 'overkill' capacity allows it to target on Britain many of its strategic systems, both land and sea-based. By contrast, the Polaris/Trident submarine force provides a minimum deterrent against the whole weight of Russian strategic nuclear forces, which grew rapidly in the

1970s. Polaris is at present equivalent to less than 2·5 per cent of Soviet strategic missiles.and bomber forces, whether measured in launchers or in warheads.

It is little short of absurd to suggest that the British deterrent force, which is of minimal size and a capacity of last resort, should be tied to an equation which links it with only one element (the SS-20) of the threat posed by the Soviet Union to the United Kingdom. To equate the British deterrent with the SS-20 is, therefore, not only wrong by definition but unacceptable in terms of deterrence. Even Mr Andropov himself has recognized, in his interview for *Der Spiegel* of 19 April 1983, that the British submarine-launched ballistic missiles are a strategic deterrent force.

The limited role of Polaris/Trident as a deterrent is another factor. Although it is assigned to the supreme Allied command in Europe (SACEUR), except where the British government may decide that paramount national interests are at stake, it has never been pretended, and is not accepted by Britain's European partners, that the UK strategic deterrent can offer a guarantee of extended deterrence to them in the same way as the full panoply of US nuclear forces, including long-range INF.

Minimum deterrent

Britain will not have Trident to replace Polaris until the mid-1990s. No one can foresee with certainty how large the Soviet strategic arsenal will then be. But the British Government has made it clear publicly that, even with the larger Trident D5, it will not deploy the system with maximum warhead numbers; and that there will be no significant change in the planned total number of warheads associated with the British deterrent force in comparison with the original intentions for a force based on the Trident C4 missile system (published sources give a figure of eight warheads per launcher on the US Trident C4 system[1]).

It is unlikely, even with a strategic arms reduction agreement on the terms proposed by the United States, that UK Trident warheads in the late 1990s will constitute a larger proportion of Soviet strategic ballistic missile and bomber warheads than was the case for UK Polaris when first deployed fifteen years ago, in relation to then existing Soviet strategic warheads.

Mr Andropov's statement of 3 May, that the Russians would be willing to count warheads as well as missiles, implied that they may be using a figure in excess of 400 to express in warhead terms their count of 162 existing British and French missiles for INF purposes. To get this figure, they are obviously making false assumptions about Chevaline, the recent modernization of the British Polaris missile. Whilst the British government never normally comments on its warhead numbers, it has said categorically that the Russian figures are quite wrong. The Chevaline programme has not increased, nor was it ever intended to increase, the number of warheads available for the independent British deterrent force. As has been publicly stated; the Chevaline development does

[1] *The Military Balance 1982–83* (London: IISS, 1982), p. 112.

not provide the Polaris missile with a multiple independently targeted re-entry vehicle (MIRV) capability.[2]

START

However, while British systems are excluded from INF by definition, the UK government's position has never been that they could in no circumstances be relevant to strategic arms control. Indeed, as a party to the 1968 Non-Proliferation Treaty, Britain has undertaken 'to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament'.

In practice, the first steps must be taken by the two states with the largest nuclear arsenals. As the UN Secretary-General's report on all aspects of nuclear weapons, presented in 1980, recognized: 'It is to be understood that, in the first stage, the two major nuclear weapon states have to make the initial reductions in their nuclear arsenals and to effect substantive restraint on the qualitative development of nuclear weapon systems. They should seek to achieve this objective in the framework of bilateral negotiations.'

There is a sound reason for not bringing other countries into these bilateral negotiations. The super-powers are negotiating to achieve strategic parity and equal security at the lowest possible level of armaments. If the Russians were allowed compensation for the nuclear forces of other countries such as Britain, France and China, they would end up having as much as the rest of the world put together. Arms control proposals which did not respect the principle of US/Soviet parity would stand little chance of agreement. This has been accepted by both sides in the strategic arms reduction talks which began in Geneva in 1982. The first priority is to cut US and Soviet arsenals. If substantial reductions, of the kind proposed in the American START negotiating position, could be agreed and implemented, the whole strategic picture could begin to change.

The British government has said—in the Defence Open Government Document of March 1982—that if circumstances were to change significantly, for example, if Soviet military capabilities and the threat they pose to the UK were to be reduced substantially, the UK would, of course, be prepared to review its own position on the decision to buy Trident II in relation to arms control negotiations. Interviewed in *Time* magazine of 20 June 1983, the British Prime Minister, Mrs Margaret Thatcher, said: 'If between the two big powers, the numbers went down massively and enormously and we moved into a totally different world—a far greater reduction than I can foresee certainly within the next five years—then there may be circumstances when ours will have to be counted (in arms negotiations).'

Meanwhile the Russians have made it clear that they have no interest in negotiating to reduce the British and French strategic systems, which are already of minimal size. From a practical point of view, it would be difficult to visualize the method of negotiation in a situation where one side's capability

[2] *Statement on the Defence Estimates 1983* (London: HMSO, Cmnd. 8951).

was forty times greater than the other's. There would be no benefit to international security—and considerable danger—in any proposition which had the effect of reducing one party to zero and leaving the other at 97·5 per cent.

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THE ITALIAN GENERAL ELECTION

THE issue of change dominated the election in Italy last June. The Christian Democrats (DC), suffering scandal after scandal, corrupted by over three decades of continuous power, presented themselves as a changed party following some internal reorganization. The Communists (PCI), striving to gain support for their Left alternative, claimed that they were the only vehicle for genuine change. The small, centre-Right Republican party (PRI) stressed that economic policy as a whole required fundamental change, while the Socialists (PSI), aiming to build up their strength at the expense of the Communists, emphasized that they alone represented the rallying point for a credible centre-Left government.

However, the politicians' campaign rhetoric did not appear to be matched by strong conviction, or by public expectations. The voting system of proportional representation, not amplifying electoral trends as does the British winner-takes-all mechanism, makes major upheavals unlikely. Few people expected great changes. The small Radical party, condemning this rigidity in the system, urged people to protest by spoiling their votes. The major politicians themselves, in contrast to their exhortations, clearly anticipated only the usual minor adjustments in relative party strengths. The DC was confident that it would gain slightly, consolidating its dominance. The PCI, contrary to believing in the imminence of the Left alternative, feared a not inconsiderable drop in its vote, which it hoped to minimize by incorporating the extreme Left PdUP into its lists. The Socialists had forced the early election, by withdrawing support from the Fanfani government, in the hope of improving party strength. The party leader, Bettino Craxi, had already tried, unsuccessfully, to bring about elections in 1982. With just under 10 per cent of the vote in the late 1970s, the PSI had hoped at one stage to reach as high as 15 per cent. However, it was clear that the major gains the party might have made the previous year were unlikely to be attained in 1983. The Communists had recovered much of their composure, after a difficult period at the beginning of the decade, while the PSI itself had been shaken by a series of damaging

scandals, one occurring during the campaign. The widespread fear of a significant rise in abstentions reflected the fact that many felt little would come from these elections apart from the usual redistribution of rewards and demotions among the traditional ruling parties. The seeming impossibility of major change disillusioned many voters, while the campaign rapidly lost most of its initial sparkle.

Expecting little, voters and parties alike were stunned by the results. The complacency of the DC, and the pollsters' predictions, were proved totally unfounded, as the party's share of the vote plunged from over 38 per cent to an historic low of just under 33 per cent. By contrast, Communist relief was almost palpable, as their share of the vote dropped only slightly to just under 30 per cent. The gap separating the two major parties had been narrowed dramatically. The Socialists, who had hoped for so much, were very disappointed as they crawled up to a little over 11 per cent. The greatest relative success belonged to the Republicans, who jumped to over 5 per cent of the vote, more than doubling their support in some of the big northern centres. Contrary to expectations, abstentions rose only slightly. Rather than staying away from the polls, the Italian voter preferred to give a clear content to his protest, punishing particularly the DC, and giving more votes to the small centre parties, and to the extreme Left and Right.

Three lessons can be drawn from the results. First, the PCI has banished any doubts as to the strength and extent of its appeal. With no hope of acceding to office, and thus battling against a certain electoral fatalism, it none the less held firm, particularly in its working-class strongholds. Second, the election marked a major defeat for Signor Craxi. Since he became party leader in 1976, he has pursued a strategy of building up PSI strength, aimed eventually at overtaking the Communists as the largest party on the Left. Seeking to avoid Communist domination, Craxi has persistently rejected the PCI offer of a united Left alternative to the DC. Adopting a stance of aggressive independence, he has striven to persuade voters that only the PSI is a credible option to DC hegemony. But for this stategy to work, the PSI needed not only to gain significantly, but to gain at Communist expense. It failed to do this, bringing to the fore yet again the fundamental problem of Communist 'permanent opposition', with the implication of 30 per cent of the electorate excluded from any hope of participation in national government. Third, the decline of the Christian Democrats was national, and particularly severe in the major cities where Communist influence is now virtually unchallenged. This was a clear protest against the party's tarnished record, and the inefficacy of past administrations. It was a blow for the party leader Ciriaco De Mita, who, having initiated considerable changes inside the party, had directed his efforts above all at the urban industrial middle class in the north. In the event, it was the Republican party, supported by the influential president of Fiat, Agnelli, which attracted the support of the modern, managerial sectors. This represents a serious problem for the Christian Democrat party. It will need to pursue its internal transformation, and win back the urban vote, if it is not to decline

into being the repository of a blend of religious orthodoxy and stubborn, provincial conservatism.

In early August, after weeks of inter-party haggling, Signor Craxi was sworn in as Italy's first Socialist Prime Minister. Given his party's poor electoral performance, this personal success is to be explained by a combination of Craxi's driving ambition and the hesitancy of the other contenders. The DC needs time to digest its defeat, and to complete the changes going on in its organization. The Republican leader, Giovanni Spadolini, who was Italy's first non-Christian Democrat Prime Minister, and who had considerable success in the June election, preferred to let Craxi do the running, while keeping a close watch on affairs from inside the governing coalition. But therein lies the difficulty. In his desire to keep his distance from the Communists, condemning the PCI yet again to a strategy of determined opposition, Craxi has boxed himself into the traditional five-party alliance. A Socialist Prime Minister does not mean a Socialist government. The Christian Democrats keep a majority of Cabinet posts, including such crucial ones as the ministries of the Interior, Foreign Affairs, the Treasury, and the deputy premiership. The Republicans control Defence and Finance. Out of thirty posts the Socialists have only six. There are more voices in the Cabinet apparently in favour of a comprehensive, and long overdue, strategy of economic rigour than there are for Socialist-inspired reforms. With the DC and Republicans determined to remain very much in control of government performance, particularly as far as the economy and foreign affairs are concerned, it would appear that Craxi's margin for manoeuvre is severely constrained.

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EUROPE AND AFRICA: TOWARDS LOMÉ III

THIS month, an unheralded but extremely significant event will take place when the ten member states of the European Community (EC) begin renegotiations with the sixty-five African, Caribbean, and Pacific (ACP) developing states for a new trade and development pact. The original Lomé agreement of 1975 was replaced at the end of its five-year span by Lomé II in 1980,[1] and the present negotiations need to be completed and signed by the end of 1984.

The significance of this giant transregional economic diplomacy goes far

[1] For background, see Claude Cheysson, 'Europe and the Third World after Lomé', *The World Today*, June 1975; and Carol Cosgrove Twitchett, 'Towards a new ACP-EC Convention', *ibid.*, December 1978, and 'Lomé II—a new ACP-EEC agreement', *ibid.*, March 1980.

beyond the 600 million people (including over 300 million from the ACP countries) of the participating states. First, the short history of EC–ACP ties is one of the few successful case studies in North–South international economic interaction and trade management. Second, the present Lomé III bargaining exercise may demonstrate that regional development co-operation policies between industrialized and developing nations can be viable in the stagnant global economy of the mid-1980s. Third, the diplomacy in Brussels may also indicate if a broader Europe-based network of co-development partners spanning the Mediterranean into its Arab regions can be launched on the heels of a new Lomé III.

For over a decade, the Common Market, the world's largest trading bloc, has been in the forefront of North–South relations, launching numerous strategies of global and regional co-operation. Many Third World demands, especially in the Mediterranean, Middle East and ACP regions, have called for a restructured world economic order with better access for developing countries, exports to Western markets, facilities for industrialization and agrarian development, food aid etc. It is clear that the Lomé accords between Black Africa and Western Europe are now regarded by most expert observers as the most fortunate North–South co-operation arrangement in the post-colonial period, and a model for any further links between developed and developing states.

There are disagreements, however, about these first two EC–ACP ventures and their impact on the ACP. If success in the Lomé III talks in large part depends on whether the ACP countries perceive that a partnership of equality or a neo-colonial hegemony is being constructed, then one must understand the essence of Lomé co-development. Those in favour of Lomé will argue for a document reflecting equity and dynamic complementarity, with industrial and non-industrial states freely negotiating a contract. They will cite the framework and commitment for more expansive trade promotion and preferences, financial aid, and industrial and agricultural technology transfers. The overall aim, they will insist, should be to promote more solidarity and increased collective self-reliance. This has been accomplished in Lomé I and II via principles like non-reciprocity (the EC gives ACP products free access but does not expect equal treatment), price indexation systems for special cases like cane sugar, an export earning stabilization mechanism (STABEX), and a special investment fund for minerals development (SYSMIN). The claim is that Lomé has launched a Eurafrican interdependent development process between divergent economies which increasingly work in concert.

There are opponents of this benevolent perspective, particularly among embittered and disappointed anglophone Black Africans. They maintain more than their francophone brethren, that previous Lomé pacts have fractured African solidarity, let alone driven a wedge in any South–South co-operation. These globalists say that EC–ACP regionalism has a divisive and destabilizing effect on any larger-scale solutions, i.e. the GATT and UNCTAD level of global bargaining. They also point out that economic dependence of the

poorer, isolated and least developed is perpetuated in this neo-imperial relationship between centre and periphery. So, in addition to claims that Lomé divides the poor and jeopardizes regional or Third-World unity, the critics emphasize the paternalistic nature of such a linkage.

The basic assumption of these Lomé detractors is that European capitalist values and beliefs undermine any emerging self-reliance of the ACP states. It is postulated that Western multinational firms derive major benefits from Lomé, with the interests of large-scale agro-industrial or manufacturing enterprises of the African élites served well before those of any medium or small-sized operators with their relative microprojects. The most serious charges are that the issue of rural development has not been addressed, industrial growth, diversification and processing sectors have been discouraged, and aid policy has been woefully inadequate. Those who oppose the renewal of the Lomé accords assert that capitalist-consumerist ideals and the maximization of EC profits carry more weight than the objectives of ACP economic growth and the diminution or elimination of poverty. Such anti-Lomé arguments are not simply ideological cries by black nationalists or neo-Marxist rhetoric, but conclusions based on lengthy analyses that underpin the rejection of Lomé as a real engine of development for the ACP. They emphasize not mere flaws or defects, but enormous basic weaknesses in the Lomé fabric.

There are indications that EC diplomacy will not simply 'muddle through' as it did in the Lomé II era. The Europeans will confront many of these criticisms with a new outlook and approaches which combat the paralysis of increasing dependency, malnutrition, underinvestment, uncontrolled urbanization and the forgotten farm sector. The EC Commission, led by Edgar Pisani, has proposed 'a common commitment to development in the common interest but designed for the benefit of the very poor'. The concentration would be on self-determined development to avoid the many past faults of imported Western models for economic surge. Greater funds for local development, mostly crucial infrastructure, will be combined with an assault on the inconsistencies of the delivery systems, waste and corruption.

What should emerge is a new co-operation policy which stresses the economic, technical and sociological dimensions of rural development, and a food strategy that encompasses a more efficient use of fuelwood, development of animal production, desertification control and village water engineering. Industrial macroprojects will probably be downgraded in favour of these efforts which centre on basic criteria of human needs and the agrarian level of life.

There are difficulties in the EC goal of putting forward an outwardly orientated approach with self-sufficiency in food at its core. There are those in Europe who do not think that the previous convention provisos were inadequate, and they still strive merely to regulate their implementation with more rationality and clever co-management. This internal struggle in the European Community between the piecemeal reformers and the advocates of a new rural strategy appears to have ended in a compromise: it is likely that the Ten will

offer extended contractual preference positions besides pressing for the consolidation of previous Lomé points.

Yet another issue involves a definition of the exact role of the ACPs in the future overall development design of the European Community. Recent trade and aid concessions granted to Mediterranean and Arab states (now the *most* important trading partners of the EC) have called into question the so-called privileged ACP status of the Lomé I days. Many alienated Africans seek proof that their wants and needs will not be subverted. This 'conflict of zones' is a central bargaining controversy, since EC trade and strategic interests have increasingly focused on the Euro-Arab bonds, and most critically the Maghreb (Morocco, Tunisia and Algeria) and Mashreq (Egypt, Syria, Lebanon and Jordan) states. It will be difficult for the Community to convince the Africans that they are still first or, at least, 'special'. Much of the preferential access enjoyed by the ACPs under Lomé I has been diluted as the Ten extended its network to the Southern and Arab Zone (including Israel) and even to China (i.e., with special agreements on huge textile quotas that remove a share of the EC market which might otherwise have been reserved for the ACPs).

What will happen? The best scenario will call for ACP adjustment, realism and unity. The ACP countries can ask for more lenient rules of origin, better STABEX and SYSMIN monies, fewer safeguard clauses for sensitive European products and increased expert diversification aid. They should, can and will do so. But they will need to realize (and accept) that the Mediterranean–Arab Zone has a more important political and economic weight for the EC than the ACPs. They must recognize that what they are most likely to receive is the best available offer that the EC can extend to them in the context of recession. And they will secure these best conditions only if they do remain a bloc, reject intra-ACP squabbling and speak with one voice. The worst scenario for the ACPs and the EC would be a 'de-linking' process that would terminate what has been the most productive and imaginative, if somewhat flawed and incomplete, relationship between the world's rich and poor for the last decade.

Finally, a triumphant Eurafrican arrangement in Lomé III may be combined with a fuller Euro-Arab dialogue. This projected triangular co-operation would be based on European technology and management know-how, Arab capital and energy sources, and African raw materials and basic needs. It remains only on the horizon, but a progressive Lomé III may trigger the evolution of a new European initiative for such a wider regional venture with its more ambitious global implications.

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The crisis in Central America: economic roots and historical dimensions

V. BULMER-THOMAS

THERE are two diametrically opposed schools of thought on the origins of the present crisis in Central America. The first stresses the external dimensions of the crisis, arguing that its origins are to be found in Soviet-Cuban aggression acting through its spearhead in Nicaragua. This is the point of view stated most vociferously by President Reagan himself and is shared by the National Security Council in the United States, by certain sectors in the Pentagon and by the extreme right in Central American politics. The second school of thought stresses the internal dimensions of the crisis; according to this perspective, the crisis has many characteristics of which the most important are social and economic conditions in the region. In this analysis, Cuba may 'stoke the fires of Central American revolution, but Cuba did not light them and Cuban inaction would not lead to their dying out.'[1]

This second point of view is widely shared in Latin America, Europe (West and East) and even among various influential bodies in the United States of America. It is the one which this article will focus on, but it does raise a number of problems in terms of its internal consistency which need to be resolved:

(i) Conventional measures of economic health over the last four to five decades suggest an impressive performance rather than stagnation. Exports, in volume and value terms, have grown very rapidly since the Second World War and the Gross Domestic Product (GDP) has risen at a rate which is quite satisfactory both by world and Latin American standards. Despite rapid population growth (one of the highest in the world), GDP per head from the early 1940s to its peak in the 1977 to 1980 period more than doubled in all countries except Honduras (where the increase was 40 per cent) and trebled in the case of Nicaragua.[2]

(ii) The country with the most rapid rise in income per head (Nicaragua) is the first in recent years to experience a social and political revolution, while the most stagnant economy belongs to Honduras which is in many respects the republic least prone to revolution (perhaps even less than Costa Rica).

[1] W. Leogrande in R. Wisson (ed.), *Communism in Central America and the Caribbean* (Stanford: Hoover Institution Press, 1982), p. 48.

[2] Estimates of GDP and GDP per head for the period since 1920 can be found in V. Bulmer-Thomas, 'Economic development over the long run—Central America since 1920', *Journal of Latin American Studies*, November 1983.

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(iii) The recent economic collapse throughout Central America, which has undoubtedly aggravated social and economic conditions, post-dates rather than pre-dates revolutionary changes in Nicaragua and the civil wars in El Salvador and Guatemala.[3]

The author considers that the emphasis on the internal dimensions of the crisis in general and on social and economic conditions in particular is correct; the analysis, however, has to be presented in such a way as to resolve the three paradoxes oulined above. This can be done, but only by going back to the 'economic roots' of development in Central America. In this way, one can uncover three key factors contributing to the deterioration of social and economic conditions; we shall call this the theory of the triple crisis.

It is appropriate to begin the analysis with a brief sketch of the economic history of Central America over the last century. The creation of stable government and economic prosperity in the first half-century after independence was thwarted by the failure to find export crops of permanent utility to the world market. This ended with the introduction of first coffee and later bananas in the second half of the nineteenth century and resulted in a prolonged period of export-led growth down to the late 1920s. Between the late 1920s and the mid-1940s, developments in the world markets for coffee and bananas were general highly unfavourable and the economies of the region had to rely on alternative mechanisms for generating growth (e.g. import substitution in foodstuffs). Between 1945 and 1960, a second wave of export-led growth took place on the basis of export diversification and the introduction of new export crops (cotton, sugar, beef) together with the intensification of coffee and banana production.

The decade 1960 to 1970 witnessed the emergence of the Central American Common Market (CACM), during which industrial output rose from negligible levels to some 20 per cent of GDP based on import substitution at the regional level with intra-regional trade reaching nearly 30 per cent of total trade. CACM did not collapse in 1970 with the withdrawal of Honduras after the 'football war', but it ceased to be a source of dynamism.[4] Economic growth continued, however, for most of the 1970s, despite the first oil crisis, on the basis of favourable prices for Central America's traditional exports.

The purpose of this brief sketch is to emphasize two features of the Central American economy, each of which requires further comment. The first is the central role of export agriculture in accounting for the economic growth of the

[3] The decline in GDP per head from peak to trough in recent years is as follows: Costa Rica (11·6 per cent), El Salvador, (34·7 per cent), Honduras (8·3 per cent), Guatemala (6·9 per cent) and Nicaragua (39·8 per cent). The drop in GDP per head for El Salvador and Nicaragua far exceeds the decline estimated during the Great Depression; see V. Bulmer-Thomas, 'Central America in the inter-war period', in R. Thorp (ed.), *The Periphery in World Crisis: Latin America in the 1930s* (London: Macmillan, forthcoming).

[4] The 'football war' refers to the military confrontation between El Salvador and Honduras in 1969, following a qualifying match for the World Cup between the two countries. Needless to say, the war had much more serious origins and Central Americans often describe it as the 'guerra inutil' (the useless war).

region, while the second is the failure of CACM and the industrialization efforts to transform Central America into a modern, urbanized semi-industrial society (it is after all a market of more than 20 million people).

Export agriculture

The central role of export agriculture in the region's economic development cannot be overemphasized. With Central America's exportable production too small to affect the world price (with the partial exception of bananas), producers have been price-takers on the world market. Profitability has therefore depended on increasing supply and keeping down costs. The increase in supply requires additional land, labour and capital. In the markets for land and labour, export agriculture has competed with agriculture for the home market, while in the market for capital (particularly credit) it had a virtual monopoly until the rise of industry. Since 1945, export specialization and diversification has been so successful that export agriculture has steadily increased its share of total agricultural output at the expense of agriculture for the home market. At the margin, therefore, land devoted to raising crops for the home market has been switched to raising crops for exports and small farmers have been either rendered landless or have had to migrate in search of additional work.

The destruction of smallholding agriculture has, of course, been exacerbated by rapid population growth, but it is not sufficient in itself to account for (a) the growth of landlessness among the peasantry nor (b) the decline in the medium size of farm. In Guatemala, for example, the so-called '*microfinca*' (less than 3·5 acres) accounted for 21 per cent of all farm units in 1950, but 41 per cent in 1979.[5] In El Salvador in the 1970s, 38 per cent of the rural labour force was estimated to be landless and the figure is thought to have been even higher in pre-revolutionary Nicaragua.[6]

Under certain circumstances, a switch of employment from low productivity activities in agriculture for domestic use to relatively high productivity activities in export agriculture could result in an increase in real wages and living standards. This has in general not happened in Central America, although there have been exceptions. Instead, a growing proportion of the rural labour force has had to trade relatively secure self-employment for insecure, seasonal wage employment in export agriculture.[7] Indeed, in cases where the peasantry has continued to have access to land, it is often only the head of the household who has migrated during the harvest season in search of wage employment. The presence of so many unattached male migrants and their detachment from their families for long periods has been a source of great social instability, particularly in El Salvador.

[5] See *Inforpress*, Centro America 1982, Guatemala City 1982.

[6] See R. Prosterman, 'Land reform and El Salvador', *International Security*, Summer 1981.

[7] It is only a slight exaggeration to state that export agriculture is large-scale, mechanized, land-extensive making use of hired labour, while agriculture for the home market is small-scale, non-mechanized, land-intensive using family labour.

With export agriculture a price-taker on world markets, the question of keeping down farm costs, particularly wage costs, has been a major preoccupation. It is for this reason that such a high proportion of the labour force in export agriculture is seasonal and it also accounts for the almost complete absence of trade unions outside the banana enclaves. (Unions were tolerated there by the traditional oligarchy, because a wage increase was at the expense of foreigners' profits).

The example of Guatemala will illustrate these points. At the start of 1980, the average industrial salary was 2 to 3 times higher than the minimum wage, suggesting that wage bargaining in the *urban* economy is not simply a take it or leave it affair. In agriculture, however, the average daily wage was only just above the minimum wage, which (at $1·12) was four times lower than the average industrial wage.

During 1980, an almost unprecedented strike took place in Guatemala among cotton and sugar workers, which led to an increase in the minimum daily wage from $1·12 to $3·20. The workers' gain was short-lived, however, because the employers reacted by cutting back sharply on employment and the number of agricultural workers registered with the *Instituto Guatemalteco de Seguridad Social* fell from 412,000 in 1981 to 168,000 in 1982. The result is that the most dynamic sector of the economy (export agriculture) has contributed to a rapid rise in GDP, but this has not resulted in a similar increase in permanent employment, real wages and living standards. Thus, economic growth has been bought at the expense of a worsening of the distribution of income and this provides us with the first element in the theory of the triple crisis—the marginalization of the peasantry.

This first aspect of the crisis has not affected all countries equally. The country which suffered least was Honduras due to the relative failure, until quite recently, of its export agriculture; the republic which suffered most was El Salvador, due to the extremes to which the model of export-led growth has been carried in that country. Costa Rica has by no means been exempt and the proportion of the rural labour force accounted for by hired workers has been growing.

Urban and industrial development

If urban and industrial growth had continued at the rates achieved in the 1960s, the marginalization of the peasantry might not have occurred. Indeed, this was the belief of all those who wrote so enthusiatically about CACM during its first decade. Despite endless technical analysis of the failures of CACM, this author has come to the conclusion that the ultimate cause of failure was political—CACM never seriously challenged the hegemony of the traditional oligarchy and its export agriculture interests.

Indeed, put the other way round, we can see CACM as an experiment that was tolerated precisely because it did not challenge the interests of the traditional oligarchy nor the model of export-led growth which export agriculture has produced. Thus, although the 1960s produced very high rates of growth

for industry and intra-regional trade, they also produced very high rates of growth for export agriculture and extra-regional trade.

Even at the height of CACM, bank credit was still being made available preferentially to export agriculture and CACM never challenged the policy of cheap labour favoured by the traditional oligarchy. The latter, however, restricted the effective market for industrial goods virtually to the small urban economy, which contributed in no small part to the downfall of CACM. When the crisis of CACM came in the early 1970s, the technocrats in charge of the market lacked the political muscle to reform it and since then it has gone from bad to worse with intra-regional trade collapsing even in value terms in 1981 and 1982.

The model of export-led growth is not without its defenders, who extol its *laissez-faire* implications and its non-inflationary consequences. It is, for example, very attractive to conservative thought, because it can be self-correcting in the face of external fluctuations. Thus, a sharp fall in export earnings reduces income in the export sector and therefore private consumption; it reduces government revenue because of the decline in export taxes and this feeds through to government expenditure; it reduces the demand for investment in the export sector and it also reduces the supply of loanable funds because of its impact on reserves, the money supply and bank credit. Thus, all items of expenditure move pro-cyclically and imports therefore move in line with exports. External balance is assured without the need for state intervention and fiscal, monetary and exchange rate policy can be be very conservative provided the authorities do not have to worry about full employment.

The non-inflationary consequences of the export-led model can be derived as follows: since the economies are small and extremely open (the ratio of exports to GDP is nearly 40 per cent in several countries), domestic prices are basically determined by world prices adjusted for exchange rate and tariff changes. With exchange rates pegged to the dollar (since the 1920s in two cases)[8] and tariff changes kept to a minimum, inflation is kept to the same rate as world price increases.

In the 1950s and 1960s, the model worked so well that there was virtually no inflation in Central America as measured by official cost of living indices. The annual (geometric) average rate of change of prices between 1950 and 1970 was below 1 per cent in Guatemela, below 2 per cent in El Salvador and Honduras and 2·1 per cent in Costa Rica. Figures are not available on a comparable basis for Nicaragua, but there is no reason to believe that they would be very different from those for the other republics.

In the early 1970s, however, world prices started to rise rapidly and Central America began to be seriously affected by 1973. Given the model of imported inflation just described, cost of living increases could only be avoided through revaluations of the exchange rate. This, however, would have reduced the profitability of export agriculture and was therefore ruled out. The result was a

[8] The two typical cases are Guatemala and Honduras. In El Salvador, the official exchange rate to the dollar has not altered for nearly 50 years.

rise in inflation to double figures, especially after the first oil crisis, which was virtually without precedent in Central America since the monetary reforms of the early 1920s. Inflation in Central America had serious consequences in terms of the subsequent crisis. It redistributed income away from the weaker elements in society towards the stronger. Inevitably, this meant that most of the workers outside the public sector (whether in rural or urban areas) suffered a decline in living standards. With no experience of inflation, the non-unionized labour force was ill-equipped to deal with it and undoubtedly suffered badly. A supreme example is provided by the collapse of the exchange rate in Costa Rica after 1980, which pushed inflation above 80 per cent in 1982 and resulted in a very sharp fall in real wages.

The rise in the rate of inflation in the 1970s and its impact on income distribution represents the second layer of the triple crisis. Like the first layer, it has not affected all countries equally; Costa Rica has suffered most, while Honduras—with its fixed dollar exchange rate and relatively strong labour unions—has probably suffered least. All republics however, have been affected in some degree.

Inflation has also contributed to the third layer of the crisis, although it has not been directly responsible. Price rises in the 1970s caused public expenditure to increase rapidly for two reasons; first, wages and salaries in the public sector had to be increased in line with inflation; secondly, transfers to autonomous public agencies or private firms rose sharply, as governments in each republic tried to operate a measure of price control. Government revenue, however, remains dominated by taxes on external trade. There is therefore no guarantee that, when public expenditure increases, public revenue will follow suit. When revenue rises, expenditure rises (after a lag), but the reverse does not necessarily happen.

While commodity prices for traditional exports were high in the middle 1970s, public sector deficits were manageable. In the later 1970s, however, they began to explode as a result of a combination of expenditure driven up by inflation (and prestige projects in the wake of the coffee boom) and stagnant or declining revenue. A large part of the deficit was at first financed by external borrowing, pushing up the public external debt from very modest levels in 1970 to massive levels in 1980. Since then, external borrowing has been very tight and commercial bank credit virtually limited to refunding the debt.

By the end of the 1970s, therefore, Central America found itself with large public sector deficits and high levels of external indebtedness. At this point, however, the world went into recession and Central America experienced the effects in a classic way—lower prices for traditional exports, a decline in export earnings and a decline in government revenue. Unable to meet their external obligations, each republic was forced one by one to resort to the International Monetary Fund (IMF). Although only Nicaragua and Costa Rica have formally defaulted, IMF support was essential for all because it is a precondition for further lending by other institutions. Although the details have varied, the stabilization programmes laid down by the IMF have been fairly similar: cuts

in public expenditure, and abolition of price control and subsidies to state-run agencies. The IMF has not insisted on devaluation (except in Costa Rica), but parallel markets exist in all republics and an increasing proportion of imports throughout the region must be paid for with depreciated currency.

The deflation associated with the stabilization programmes is the third layer of the crisis affecting the economies of Central America. Like the second, it possibly affects Costa Rica more severely than the other republics; Nicaragua has not had an IMF stabilization programme imposed on it, but it has had its own economic austerity plan and does suffer from exchange rate instability. It has not therefore escaped this third level of the crisis.[9]

Historical dimensions

The theory of the triple crisis is, I believe, capable of explaining the origins of the social and political unrest in Central America; it is also consistent with the three paradoxes outlined at the beginning of this article. It would, however, be foolish to pretend that the crisis has only economic roots, which is why the title of this article refers to historical dimensions. The phrase 'historical dimensions' in this context is to be interpreted very loosely as referring to two non-economic considerations which deserve prominence when analysing the internal dimensions of the crisis: the first concerns anti-imperialism, while the second relates to the reaction against corruption.[10]

The attraction of revolutionary movements for sections of the rural and urban working-class (and even sections of the urban petty bourgeoisie) probably finds its origins in the economic and social factors already mentioned. Middle-class intellectuals, however, who form an important element of the revolutionary movement in El Salvador and Guatemala, are possibly more attracted by its anti-imperialism. The revolutionary Left is the only political grouping with an anti-imperialist platform and anti-imperialist sentiment runs very deep in certain quarters of Central America. Significantly, the revolutionary movement in Honduras has made more progress in the last year than the previous thirty years and the catalyst has undoubtedly been the client status of Honduras in the US foreign policy sphere.

The second factor is the reaction against corruption. The manipulation of elections in Central America has a long history, but it reached epidemic proportions in El Salvador in 1972 and 1977 and in Guatemala in 1982. In Nicaragua, there have not been any elections to manipulate for many decades, but the reaction to the corruption of the Somoza family, particularly after 1972, undoubtedly brought many groups into opposition politics which had previously been unaffected.

The purpose of this article has not been to offer a complete theory of the

[9] It might be argued that war damage represents a fourth layer of the crisis. As was pointed out earlier, however, the very considerable damage inflicted on the economies of El Salvador, Guatemala and Nicaragua by civil war is a consequence rather than a cause of the crisis. It is, therefore, not strictly relevant to the theory which tries to explain the *origins* of the crisis.

[10] It is worth noting that both these factors were also important in the revolution which overthrew the Shah of Iran.

crisis, embracing both internal and external dimensions; instead, its aim has been to examine the claim that internal factors, particularly social and economic conditions, can explain the origins of the present crisis and its associated social and political unrest. Since this claim was found to be substantially justified, it is worth pondering its implications for the future.

Sooner or later, the world economy will move out of recession and, other things being equal, this can be expected to have favourable repercussions on the economies of the Central American republics. The trend of inflation in Central America has been downwards in recent months and Guatemala even recorded a fall in the cost of living index during the calendar year 1982. Some comfort can be drawn from these trends, but two factors conspire to ensure that the present crisis will not melt away. First, the export-led model of growth as applied in Central America remains seriously flawed; no government in the future can afford to ignore internal balance (particularly employment conditions), unless the urban economy is expanding rapidly. This presupposes, however, the strengthening of CACM, which in turn is inconsistent with the export-led model.

Secondly, other things are not equal. The present crisis, whatever its origins, has acquired a momentum all of its own, which undoubtedly does have external dimensions. It is nevertheless clear that, however the crisis is resolved and whoever occupy positions of leadership in the future, policy will have to address itself to the economic and social conditions which generated the crisis in the first place.

The national question in the Horn of Africa

JAMES MAYALL

IN August 1980, President Hassen Gouled of Djibouti appealed for an end t
the fighting in the Ogaden which had continued almost incessantly despit
Somalia's defeat at the hands of Ethiopian and Cuban forces in March 1978
A negotiated settlement, he suggested, might include 'regional developmen
conventions on nomad movements and water-holes, freedom of travel for prc
perty and persons in the Ogaden and the establishment of joint economi
infrastructures'.[2] Djibouti itself, of course, has an obvious interest in such
settlement since, for geopolitical reasons, its government cannot afford t
antagonize Ethiopia while a major section of the population has strong ethni
ties with Somalia. The proposal was none the less a rare example of sanity in
region where politics and nature continue to exact an appalling price in huma
suffering.

Some measure of that price is provided by the refugee figures. In the sprin
of 1980, the Somalis claimed that one in four of their population were refugee
from the Ogaden; and although the figures were certainly inflated for politica
reasons, the official estimate of the United Nations High Commission fo
Refugees (UNHCR) of over 600,000 still represents an enormous burden fo
one of the poorest countries in the world. At the other end of the Red Sea, th
Sudan is host to over half a million refugees from Eritrea and Tigre, som
driven to seek political asylum as the result of their rebellion against the Ethio
pian central government, and others more recently driven west by the wors
drought in ten years.

Such population movements are the living proof of a steady disintegratio
of the social, political and indeed ecological systems of an entire region. Th
other measure is the death toll. There are no reliable estimates of the number
killed over the past five years in the contest between the Ethiopian centra
authorities and the various 'liberation fronts' ranged against them; in the direc
confrontation, which has continued sporadically between Somali and Ethio
pian forces despite official denials; and more recently in the low-level arme
struggle between the Somali regime and its own domestic opponents. Nor, s

[1] See James Mayall, 'The battle for the Horn: Somali irredentism and international diplomacy' *The World Today*, September 1978.

[2] *Africa Research Bulletin*, 1–30 September 1980, p. 5797.

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long as all sides use the technique of trading casualty statistics across the airwaves, will the position change. Both the Ethiopian and Somali governments periodically express an interest in a political solution, but it is always on their own terms. Since no one can afford to make a major concession, there is no obvious end to the violence in sight.

How is this depressing immobility to be explained? The short answer is that domestic, regional and external pressures combine to keep the Horn at once in a state of turmoil, with governments under constant threat at home and abroad, and, in the final analysis, to support the status quo. In Ethiopia, the expectations aroused amongst both supporters and opponents of the Revolution have not yet been met; yet, the state itself is in no immediate danger. In Somalia, a humiliating defeat in 1978 predictably undermined the fragile cohesion of Somali society; yet, while his international credibility may have suffered, Siad Barreh and his regime have survived. To understand this apparent paradox it is necessary to consider the interactions between these three levels of crisis.

State and society in Ethiopia and Somalia

The overthrow of Emperor Haile Selassie's government in 1974 released the genie of national self-determination throughout the region. It was not merely that, in the confusion following the revolution, the Somali government eventually concluded that it should attempt to liberate the Ogaden Somali, and thus to realize in part the commitment to Pan-Somali unification embedded in the Constitution at independence; the Revolution also appeared to offer opportunities to other national groups within Ethiopia to press their claims against the Amhara ascendency.[3] The Eritrean nationalists had been in revolt against the central government since 1962 when Haile Selassie dissolved the federation and declared Eritrea a province of Ethiopia. But after 1974, nationalist movements, for example the Tigre Liberation Front (TPLF) and the Oromo Liberation Front (OLF), proliferated throughout the former Empire.

For Ethiopia's Provisional Military Administrative Council (PMAC) or Dergue the nationalities question has been a major problem from the beginning. Their official position is modelled on the formula devised by Lenin to cope with the problem of nationalism following the Russian Revolution. The problem is how to combine the defence of the Revolution with the admission of the right of *oppressed* nationalities to self-determination. In the Ethiopian case, the Head of State, Lieutenant-Colonel Mengistu Haile Mariam, gave his own version of this theory in his most recent May Day speech: 'We condemn all those working for their own advantage who oppose revolutionary unity in the name of nationalities. We will fight them to the end. Basically and in principle, we confirm our position regarding the ending of the oppression of nationalities by any reactionary regime in the name of unity and for their right

[3] For a full discussion, see I. M. Lewis (ed.), *Nationalism and Self-Determination in the Horn of Africa* (London: Ithaca Press, 1983).

to decide their fate through secession or through democratic unity.'[4] In other words, nationalists who are also socialists have a right to secede, but precisely because they share the ideology of the Revolution, they will not wish to exercise that right.

The trouble with this formula is that the assumption on which it is based is false. Both the movements which have been most successful in holding out against the Ethiopian military, the Eritrean Peoples Liberation Front (EPLF) and the Tigre Liberation Front claim to be Marxist-Leninist organizations, while those to whom the Dergue has extended its patronage, such as the Somali Democratic Salvation Front (SDSF), are political exiles whose presence in Addis Ababa is primarily a reflection of the opportunities for political warfare and subversion rather than of ideological commitment. The fact that the TPLF continues to resist the government despite repeated statements by its leaders that they do not necessarily seek to secede from Ethiopia,[5] also suggests that the obstacles to Mengistu's proposal for a 'confederated popular democratic front in the Horn of Africa' do not derive, as he suggests, solely from external sources.[6]

By early 1980 it was possible to argue that the Ethiopian military had created conditions of relative stability outside Eritrea, and that even there they had succeeded in removing independence from the agenda.[7] Three years later this judgement seems more problematic. Certainly the failure of Operation Red Star in 1982 was a major setback for the regime. This was the code name given to a major reconstruction effort in Eritrea which was to be accompanied by a final effort to flush the EPLF from their stronghold in Nakfa and the surrounding mountains. It has even been suggested[8] that failure has weakened Mengistu's position and led to increased Soviet pressure—Ethiopia allegedly owes over £1,250 million for military and other supplies—for more rapid progress in the handover of power to a civilian vanguard party. Perhaps; but Mengistu has proved himself an adept political manoeuvrer in the past and, moreover, has recently strengthened his international standing by becoming Chairman of the Organization of African Unity (OAU). What is certain, however, is that the nationality issue continues to pose a major constitutional problem for his regime.

The 1983 offensive was directed at the TPLF rather than the Eritreans since their ability to ambush the Addis Ababa–Asmara road had been a major obstacle during operation Red Star.[9] By March this offensive had also proved abortive. In April, the TPLF demonstrated their strength by briefly capturing the town of Korem, kidnapping nine foreign relief workers, taking them on a 'tour' of the province and finally releasing them in the Sudan two months later. In circumstances where the Government's writ still does not

[4] *Summary of World Broadcasts* (hereafter SWB), Part 4, 3 May 1983.
[5] *Egyptian Gazette*, 20 April 1983. [6] SWB, 16 June 1983.
[7] See Gerard Chaliand, *The Struggle for Africa: Conflict of the Great Powers* (London: Macmillan, 1982), p. 101.
[8] *The Observer*, 16 January 1983.
[9] *Observer News Service*, 18 January 1983.

run over much of the countryside, the newly formed Institute for the Study of Ethiopian Nationalities, which had been charged with exploring ways of creating a people's republic, has an unenviable task.[10]

In Somalia, there is no nationality problem to complicate the relationship between state and society. Yet, in the wake of military defeat and economic failure, traditional clan divisions have sharpened. 'We are homogeneous in every respect', President Siad Barreh over-optimistically reassured a recent independence day rally, but 'intervention is being planned somewhere'.[11] In fact, he maintains with some justice, intervention is planned in Addis Ababa, where there is now a marriage of convenience (it is almost certainly no more than that) between the Dergue and the SDSF which is drawn from the Magerteyn of central Somalia and the Somali National Movement (SNM) representing the Isaaq from the north-west.[12] Both movements, which are linked in a tentative alliance, have successfully challenged the government in the past year; in July 1982 the SDSF, almost certainly with Ethiopian support, occupied two border towns (Balamabal and Galdogol) from which they have not been dislodged,[13] and in January 1983 the SNM carried out a spectacular raid on Mandera jail in the north-west allegedly releasing over 700 political prisoners.[14]

Thus, domestic and regional conflict has become increasingly intertwined: in the Ogaden, the Ethiopians have re-established their control, albeit at enormous human cost, but are continuously harassed by the Western Somali Liberation Front (WSLF), supported by the Somali government, while in the central region and in the north-west, the Ethiopians who have apparently concluded that peaceful coexistence is impossible with the Barreh regime, provide sanctuary and military backing to the Somali opposition.

Regional diplomacy

The odds in this contest might well favour the opposition clans if it were not for the involvement of outside powers on both sides. This is essentially because of Somalia's diplomatic isolation in Africa.

Somalia is isolated on two levels. At the continental level, the government has made no headway at all with the OAU. Indeed, in some respects, opinion has hardened in favour of Ethiopia. Although the Somali government now insists that it has no territorial claims—instead the new 1979 Consti-

[10] *Africa Research Bulletin*, 1–31 March 1983, p.6764

[11] SWB, 5 July 1983.

[12] *The Guardian*, *The Financial Times*, 14 July 1982 Despite the anti-tribalist rhetoric which has always been a feature of his political style, Siad Barreh's government has also always relied heavily on the support of the Darod who are divided between southern Somalia and the Ogaden.

[13] The capture of the two towns was announced by the rebel station, Radio Halgen (Struggle), on 13 July.

[14] *Le Monde*, 9/10 January 1983. As a result of the raid, Somalia unilaterally closed the border with Djibouti to prevent their escape, but neither this action nor the offer of a general amnesty to all opponents of the regime on the run appears to have met with success. *International Herald Tribune*, 14 February 1983, *Daily Telegraph*, 16 February 1983.

tution commits the state to support 'the liberation of Somali territories under colonial oppression'[15]—African governments are openly sceptical of Somalia's colonial thesis. At its Lagos meeting in August 1980, the OAU Committee on the dispute passed a resolution which included 'the recognition, affirmation, implementation and application' of the principle of the inviolability of frontiers attained at the time of independence. Predictably, Ethiopia claimed a diplomatic victory and Somalia walked out.[16] It is true that the resolution also invoked the Charter's opposition to any encouragement of subversion against the government of another country, but this indictment cuts both ways and, in any case, has fallen foul of the progressive/moderate split in African diplomacy which virtually destroyed the organization in 1982. It remains to be seen whether Mengistu's election as Chairman at the 1983 summit will lead him to curb his support for the Somali opposition; what is certain is that there will be no change in the OAU's opposition to boundary revision.[17]

At the regional level, opposition to what is still perceived as Somali expansionism combines with conflicting ideologies and foreign entanglements to create a more contradictory and ambiguous pattern. The Lagos meeting took place against the background of Ethiopian charges of a new Somali invasion, and their refutation by Somalia, and of the Somali/United States negotiations for American access to the military facilities at the Port of Berbera.

This agreement was strongly condemned not only by Ethiopia but also by Kenya, a strong supporter of United States' policies, which none the less maintains a bilateral defence treaty with Ethiopia. When Mengistu visited Kenya in December, the final communiqué demanded that Somalia 'renounce, publicly and unconditionally, all claims to the territories of Ethiopia, Kenya and Djibouti and declare null and void all instruments asserting such claims', and also, even more humiliating, 'pay prompt and adequate reparations for the war damages she inflicted on Ethiopia'.[18]

The Sudan, which had adopted an equivocal position towards the Ogaden War in 1978, simultaneously moved to repair its relations with Addis Ababa. In this case, the primary objective was no doubt to bring pressure on the Eritreans to reach an accommodation with Ethiopia—its sometimes open sometimes covert support for the EPLF and ELF has created political and financial problems for the Sudanese government—but the effect was further to isolate Somalia.[19] The revival with Kenya of the tripartite ministerial con-

[15] For a discussion of Somalia's new policy line, see Sally Healy, 'The changing idiom of self-determination in the Horn of Africa', and James Mayall, 'Self-determination and the OAU', in Lewis, *op. cit.*, pp. 77–110.

[16] *Africa Research Bulletin*, 1–31 August 1980, p. 5764. The members of the OAU Committee are Nigeria, Tanzania, Senegal, Liberia, Cameroon, Sudan, Mauritania and Lesotho, which was not present on this occasion.

[17] It is possible, although unlikely, that now that the OAU has been reprieved, the Charter will be revised to include an explicit reference to this opposition, A recommendation to this effect was agreed by the Charter Review Committee at a meeting in Addis Ababa in May 1982

[18] *Africa Research Bulletin*, 1–31 December 1980, p. 5887.

[19] A joint declaration, signed in November 1980, included the standard commitment to ter-

sultative committee completed the process. When Djibouti joined this committee in April 1981, it insisted that it be open to accession by Somalia, but so far all attempts to find a basis for reconciliation between Addis Ababa and Mogadishu, which would make this possible, have failed.

Impact of US diplomacy

Somalia's diplomatic isolation has faced the Americans with a permanent dilemma: how to support an anti-Soviet government whose expulsion of the Russians in 1977 was followed by an appeal to Washington for help, without alienating other regional allies or closing the door to some future co-operation with Ethiopia, many of whose military rulers were trained in the United States prior to the Revolution. Under both the Carter and the Reagan Administrations, they have been more successful in handling the first part of this dilemma than the second.

In 1978, after flirting with the Somali attempt to reverse alliances, President Carter opted for caution. Support for Siad Barreh was primarily economic—$50 million in financial assistance and an $11 million food aid programme—although warships began to pay courtesy calls at Somali ports and a defence attaché was appointed to the US Embassy. It was made clear, however, that Somalia would have to pay a political price for any further military co-operation. In a statement before the House Subcommittee on African Affairs in February 1979, Richard Moose explained the policy: 'to provide military assistance when it serves legitimate defensive purposes but to continue a policy of arms restraint in the Horn. We have not and we will not provide arms in situations which fuel local conflicts.'[20] In other words, Somalia could not expect to receive the same kind of treatment as the strongly pro-Western Kenya or the Sudan, which had supported the Camp David Accords, unless and until it abandoned its territorial ambitions.

This has remained the basic American policy, although the emphasis has changed as containment of Soviet influence has re-emerged as the central focus of US Third World policy. After the Soviet invasion of Afghanistan, the United States quickly negotiated access agreements with Kenya and Oman for its rapid deployment forces. However, it was not until 22 August 1980 that there was an exchange of notes similarly providing the United States with 'increased access to Somalia's air and port facilities'. Whether the intensification of the Ogaden War, and the accompanying charges and counter-charges of invasion, had been stage-managed by Somalia to secure this agreement, or by Ethiopia to prevent it, remains a moot point. Either way the fighting appears to have had a restraining effect: not only did the Administration reassure Congress that it had made 'abundantly clear to the Somalis the limitations imposed by our laws on the use of material which might be supplied in the future under foreign military sales agreements and the possible consequences of their violation of these provisions',[21] but subse-

[20] *Department of State Bulletin*, April 1979, pp. 12–13.

[21] For the text of the agreement and of the explanatory statement, on 26 August 1980, by Richard Moose, Assistant Secretary for African Affairs, see *ibid.*, October 1980, p. 19.

quently they appeared to be in no hurry to deliver the $40 million of 'defensive weapons and equipment' which the Somalis were able to wring out of them as part of the bargain.

The Reagan Administration has developed this policy without fundamentally altering its design. The major changes are in rhetoric and in the scale of military support to Sudan and Kenya in particular. The tendency is 'to see the events in the Horn, South Asia, the Persian Gulf and Southern Africa,' for example, the tripartite alliance signed in August 1981 by Ethiopia, Libya and South Yemen, as part of an ominous co-ordinated Soviet strategy to strike at countries on or near the vital resource lines of the West'.[22] As Chester Crocker, the new Assistant Secretary for African Affairs, put it in October 1981: 'It is a truism that most of Africa's instability is of regional origin . . . but it is also time to recognize . . . that the solution to regional disputes does not lie in Western abstinence at a time when Libyan, Soviet and Cuban policies seek actively to fuel the fires of instability.'[23]

The new emphasis is clearly illustrated by the increased concentration of economic and military assistance: thus, while in 1981 41 per cent of the total was already allocated to Sudan, Kenya, Somalia, Zimbabwe, Liberia and Zaire, in 1983 the same six are to account for 62 per cent.[24] Of these, Sudan is now the major recipient of US assistance in Africa ($230 million), with Kenya ($112·5 million) second and Somalia ($91·3 million) third.

It is difficult to assess what impact Reagan's diplomacy has had on regional stability. Contrary to Ethiopian claims, there seems to be no evidence that the Americans are encouraging Somali expansionism. During a visit to Washington in March 1982, Siad spoke of the 'excellent atmospherics' of his meetings with American officials, but complained as usual that the aid on offer was inadequate.[25] During the fighting which flared up in the central region in July 1982, the Somalis first, and rather tendentiously, accused the Libyans of financing the war in the Ogaden, and then requested emergency aid from the United States to help them repel Ethiopian aggression.[26] In mid-August, after declaring a state of emergency in the border regions, Radio Mogadishu reported that the United States had begun a continuous air-lift of arms to Somalia.[27] This appears to have been an exaggeration. There was a short American air-lift of defensive equipment already covered by the existing agreement in mid-July, but, according to the State Department, it continued for a few days only, and, in any case, does not appear to have affected the outcome.

It seems equally unlikely, however, that American involvement has made a

[22] Sola Ojo, *The United States Policy in the Horn of Africa.* Paper presented at the International Conference on Africa and the Great Powers, University of Ife, Nigeria, 1–4 June 1983. See also Alexander Haig, 'A strategic approach to American foreign policy', *Current Policy,* No. 305, 11 August 1981.

[23] Speech to the Council on Foreign Relations, *Department of State Bulletin,* January 1982, pp. 23–6.

[24] *ibid.,* July 1982, p. 61-2. [25] *International Herald Tribune,* 13 March 1982.

[26] *Africa Research Bulletin,* 1–31 July 1982, p. 6515. [27] SWB, 26 August 1982.

positive contribution. The extension of hostilities, in which on most accounts the SDSF was supported by Ethiopian forces, seems to have checked any remote possibility that may have existed for a general relaxation of tension. In 1981 and 1982, there was a gradual improvement of relations—no doubt welcomed by the Americans—between Somalia and the governments of Kenya and the Sudan. And although both governments remain generally on friendly terms with Addis Ababa, during the July fighting both made statements critical of Ethiopia.[28]

At the same time, the Americans have been forced, no doubt reluctantly, into deeper support for a regime whose domestic base looks increasingly suspect. In March 1983, the SDSF repaid its Ethiopian patrons by demanding the removal of US bases as part of its programme for the overthrow of the Somali government.[29] Meanwhile, relations between the US and Ethiopia itself, which in the face of economic difficulties has been seeking to improve its image with the other Western powers, remain very bad. Mengistu never loses an opportunity—for example during the periodic US Rapid Deployment Force manoeuvres—to castigate US imperialism, a compliment which is regularly returned in kind.[30] The fact that the political advantage lies with Ethiopia may, if the US continues to combine strategic dominance with diplomatic restraint in Somalia, prevent a major new conflagration, but it seems most unlikely to do anything to resolve the underlying problem of social and national conflict.

[28] *Africa Research Bulletin*, 1–31 July 1982, pp. 6514–15 [29] SWB, 8 March 1983.

[30] See, for example, Ambassador Kirkpatrick's virulent counter-attack before the United Nations General Assembly on 2 October 1981, in which she accused the Ethiopian Minister of Foreign Affairs of an Orwellian inversion of the truth. *Department of State Bulletin*, January 1982, pp. 81–2.

Armenian terrorism

PAUL WILKINSON

THERE is overwhelming historical evidence that the most protracted, fanatical and intractable campaigns of terrorist violence are those waged in the name of national self-determination and justice for an ethnic group. Although the groups engaged in terrorist attacks are generally very small and clandestine, the fact that they claim to be the authentic champions of a whole ethnic constituency almost inevitably secures for them a broader and more loyal base of political sympathy and support even if, as is generally the case, the nationalist movement as a whole contains many elements deeply opposed to terrorism. Thus it is groups such as the Baader Meinhof gang, the Red Brigades, and the Japanese Red Army, which have proved more ephemeral and vulnerable to firm government reponse. None of these ideological revolutionaries really succeeded in gaining a mass support base among the working class they pretended to be fighting for. By contrast Irish, Croatian and Armenian terrorism has been waged on and off for well over a hundred years. Admittedly their organizational forms, leadership and tactics change, but the well-springs of their terrorist violence lie deep in their national psyches and traditions and their desperate passion for the cause of national liberation.

The current Armenian terrorist groups are part of a very long tradition of resistance against successive conquerors who came to rule over their homeland in what is now North Eastern Turkey and the Armenian Soviet Republic. Modern Armenian national consciousness developed in the nineteenth century in the teeth of domination by the Ottoman Empire and Czarist Russia, and was particularly powerfully articulated and intensified by the revival of Armenian literature in that period. Perhaps even more important than Armenian language in keeping a sense of national consciousness alive has been the role of the Armenian Apostolic (Gregorian Orthodox) Church. The Armenians claim to have been one of the first Christian nations, and their church is to this day a powerful binding force. Somehow Armenian Christianity survived the waves of repression and repeated massacres during the nineteenth century.

The Armenians were sadly disappointed that in the Treaty of Berlin of 1878, which followed the Russian defeat of the Ottomans in the 1877–8 war, they did not secure independent statehood. Part of the Armenian delegation's formal protest against the Treaty stated:

> 'The Armenian delegation will return to the east carrying with it the lesson that without struggle and without insurrection nothing can be

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obtained. Nevertheless, the delegation will never cease addressing petitions until Europe has satisfied its just claims.'

In the period leading up to the First World War, relations between the Ottomans and the Armenians deteriorated still further. The Turks regarded the Armenian nationalist organizations Hunchak (founded 1887) and Dashnak (founded 1890) as subversive bodies which justified intensified repression, punitive raids and massacres. Liberal politicians in Britain and other West European countries frequently expressed their outrage at the treatment of the Armenians, Bulgarians and other minorities in the Ottoman Empire. But Turkey's ally, Germany, managed to block any effective international action on their behalf.

But the major disaster to the Armenian people occurred in 1915. Despite numerous Armenian pledges of loyalty to the Ottoman Empire and the fact that thousands of Armenians served with the Turkish army, the paranoid and ruthless regime of Enver Pasha and Talaat Bey decided that the Armenian people as a whole constituted a threat to their security in the sensitive area of the Russian border. They ordered the deportation of the whole Armenian population of 1,750,000 to Syria and Mesopotamia. Most Western authorities who have combed the formidable dossier of eye-witness testimony and historical documents have concluded that at least one-third of the Armenians died or were massacred in the course of the deportation. Professor Leo Kuper puts the figure as high as 800,000.[1] The detailed historical accounts of Johannes Lepsius, Arnold Toynbee, Morgenthau[2] and many others document the terrible sufferings inflicted on Armenian men, women and children by a policy which Kuper has called the 'forgotten genocide' of the twentieth century. The luckiest, perhaps as many as a third of the Armenians, managed to flee and evade the deportation. Many settled in Russia, and thousands of others became refugees in other European and Middle Eastern countries. It is this terrible disaster of the Turkish genocide of the Armenians which accounts for the fact that less than 50,000 Armenians remain in present-day Turkey, while over two million of them live in the Soviet Armenian republic.

There was a half-hearted effort by the British to bring the Ottoman leaders to justice for their part in these crimes, but the Turkish leaders concerned were soon released. The new Turkish Republic of Ataturk soon effectively nullified the clauses of the Treaty of Sèvres which had provided for the recognition of a free and independent Armenia. After further wars and massacres against the Armenians and the Turkish-Soviet Treaty, the Treaty of Lausanne (1923) betrayed the earlier promises to the Armenians by recognizing Turkish control of Turkish Armenia.

[1] Leo Kuper, *Genocide* (New Haven: Yale University Press, 1981), pp. 101–19.

[2] Johannes Lepsius, *Le rapport secret de Johannes Lepsius sur les massacres d'Arménie* (Paris: Payot, 1918); Arnold Toynbee, *The treatment of Armenians in the Ottoman Empire, 1915–16* (London: HMSO, 1916); Henry Morgenthau, *Ambassador Morgenthau's Story* (New York: Doubleday, 1918).

Terrorism and politics

The roots of modern Armenian terrorism lie in these tragic events of sixty-eight years ago. Idealistic and fanatical young Armenian nationalists who form the membership of the terrorist cells of the Armenian Secret Army for the Liberation of Armenia (Asala, formed in 1975) and other groups such as the more right-wing Justice Commandos of the Armenian Genocide (also formed in 1975), the Avengers of the Armenian Genocide and the Armenian Revolutionary Army, all share similar basic aims: they want to avenge the Turkish genocide of the Armenians. Despite the fact that all those responsible in the Ottoman Empire are now dead, they insist that the present Turkish state must take reponsibility for the crimes of the past, must confess Turkish guilt and pay reparations. (They cite the precedent of West German reparations to the Jews after the Holocaust.) The other major aim is to establish an independent and fully sovereign Armenian state comprising the Armenian Soviet Republic and Turkish Armenia, to which the Armenian diaspora would be able to return.

As is clear from the conduct of the Armenian terrorists who blew themselves up in the Lisbon embassy siege at the end of July, many of these young Armenians are ready to go on 'suicide missions'. They are ready, even eager, to die for the cause. Hence the threat of severe punishment at the hands of the authorities is no real deterrent against them.

The fact that their political aims appear to most objective observers to be totally unrealizable does not dim their determination. Armenians cite the examples of the Zionist movement and the creation of Israel, and the present struggle for a Palestinian state as comparable cases. It is interesting that Asala built very close links with the PLO from the mid-1970s. Its members have received substantial expertise and training from this source and until very recently they based their headquarters alongside the PLO in Beirut.

Asala has earned a reputation as an extremely ruthless and effective terrorist organization. It is organized in the classic terrorist cell structure, similar to that used by the Irish Republican Army (IRA), and it has, until very recently, been very successful in evading capture by the authorities. It has organized over 100 attacks on Turkish targets in over fifteen countries, involving in all nearly fifty murders including twenty-nine Turkish diplomats or their dependents. Asala's members appear to have access to quite sophisticated terrorist weaponry, including anti-tank rockets and Soviet-made guns and grenades, probably obtained through the international terrorist arms market. They are certainly not short of cash or safe-houses as they seem to have small groups of loyal helpers in every major Armenian émigré community in the diaspora.

Recently, however, their terrorist campaign has intensified and now threatens more indiscriminate carnage against the innocent world-wide. On 16 June 1983, two terrorists attacked a crowded bazaar in Istanbul, killing two and injuring twenty-three. Responsibility for this attack was claimed by Asala and was timed to coincide with the anniversary of 1970 left-wing riots in the city. It was the first attack mounted on Turkish soil since their machine-gun attack on Ankara Airport in August 1982, and confirmed an ominous trend

towards more indiscriminate terrorism. On 14 July this year, the Armenians assassinated a Turkish diplomat, Dursun Aksoy, in Brussels: he was the twenty-eighth victim in the terrorists' eight-year murder campaign against Turkish officials and their dependents. The following day a bomb in a suitcase exploded at Orly airport, Paris. Asala immediately claimed responsibility for this terrorist attack, which killed seven (three Turks and four French) and injured over sixty, many of them seriously. Immediately following the Orly bombing, a bomb was found in Holborn, London, which was almost identical in type to the one which was used at Orly. Fortunately it was spotted by an alert member of the public and notified to the police before it could do any damage. It is hardly coincidental that the trial of two Armenians accused of conspiring to attack a London-based Turkish diplomatic target was in progress at the time at the Old Bailey. (The trial ended on 23 July with one of the Armenians being sentenced to eight years imprisonment for possessing weapons with intent to endanger life.)

It was also shortly after the Orly bombing that an Athens news agency received a telephone call threatening more bloodshed if two arrested colleagues were not released within three days. Such threats are characteristic of the Asala's campaign. One of the reasons why they pose such a serious international terrorist problem is that they threaten violence not only against Turkish targets in every corner of the globe, but also against any third country which takes steps to bring Armenian terrorists to justice. In 1980, Asala went to the lengths of creating a special 'October 3rd Commando' to attack Swiss targets in retaliation for the Swiss arrest of two Armenian terrorist suspects on 3 October 1980. There were thirty-two attacks by Armenian terrorists against Swiss targets until the Swiss authorities released the suspects. Last May, the Armenian terrorists threatened to kidnap Swedish tennis stars in Paris in retaliation for the Swedish authorities' arrest of an Armenian. And a few days after the French arrest of fifty-one Armenians in connexion with the Orly bombing, Asala bombed the Air France office and the French Embassy in Tehran, and threatened more attacks. Britain is clearly on the hit list as a result of the trial and conviction of an Armenian terrorist, Zaven Bedros, in London. And now Portugal will become a target, because on 27 July an SAS-trained Portuguese anti-terrorist squad stormed the Turkish Ambassador's residence in Lisbon which had been taken over by Armenian terrorists the same day. Five terrorists, the wife of a Turkish diplomat and a policeman were killed.

It is a grim fact that many people have only become aware that there is such a thing as an Armenian problem as a result of the terrorist campaign that begun in 1975. Ironically, the Orly bombing came only five days before the second Armenian world congress was due to open at Lausanne. Hardly anyone outside the exiled Armenian community, now scattered in over thirty countries, noticed the first world congress held in Paris in 1979.

Sadly, the politics of the Armenian moderates such as the Dashnak Confederacy party have been upstaged by the men of violence. Only seventy delegates turned up at Lausanne instead of the hoped-for 200. Perhaps they

were frightened away by threats of Turkish retaliation, or were making their own silent protest against Asala's murders. The danger is that some Armenian leaders will be tempted to lend a more sympathetic ear to the terrorist fringe. Will the increasingly active Armenian political leaders, like James Karnusian, organizer of the Lausanne Congress, seek to exploit the impatient desire for action among the Armenian youth? Or will they try hard to restrain them from violence and canalize their energy into political protest and lobbying?

Much will depend on the nature of the response of Western governments and the international community. The democratic states must stand firm against terrorism, and protect the innocent. But they should also be trying hard behind the scenes to persuade the Turks that there is no purely military or police solution that will end Armenian terrorism. There are also human rights and diplomatic steps the international community could take that would help damp down the violence.

Intractable international problem

Armenian terrorism has temporarily replaced that of the Palestinian extremist groups as the archetype of international terrorism. We know that they share a more than accidental affinity. It is well known that from its inception in the mid-1970s the Armenian Secret Army for the Liberation of Armenia obtained considerable expertise and training from the PLO, that Asala based its headquarters in Beirut and that there is still considerable co-operation between the two movements in Syrian-held Lebanon, in Syria itself and within both diaspora communities in many other countries.

Yet, there are more fundamental similarities between Armenian and Palestinian terrorism. Both claim to be avenging the destruction of their national communities. Both seek to achieve national self-determination with the puniest of resources and against seemingly impossible odds. Both claim they are justified in attacking third countries, which they accuse of 'imperialism' and 'repression' on the grounds that they were partly responsible for denying them national independence originally and because of steps they have taken to suppress their activities and bring terrorists to justice. Both rely very heavily, indeed almost entirely, on the active support and participation of small support groups in their respective diasporas. Both have engaged in close co-operation with other international revolutionary terrorist groups and have received practical assistance from countries of the Communist bloc. Like the Palestinians, the Armenians are also divided into factions favouring more atrocities and those opposed to terrorism who seek to pursue purely political and diplomatic strategies.

At a more profound philosophical level, there are important questions to be asked about the historical and moral justification for the political demands and aspirations of the Armenians, just as they must be posed in the case of the Palestinians and all other national liberation movements. It is a common but dangerous error to assume that, because a certain group within the national self-determination movement uses immoral means, the movement's overall

political claims must therefore also be unjust. Most expert commentators on Iran under Khomeini's regime accept that the minorities in that country have suffered terrible violations of their basic rights. Yet, this fact cannot be held to justify terrorist attacks in the name of such a minority carried out in a democratic foreign country, such as the siege of the Iranian Embassy in London in May 1980.

Sadly, it must be admitted that until the current Asala terrorist campaign, very few people knew anything about the grievances of the Armenians against the Turks. The young fanatical idealists who now declare themselves ready to go on 'suicide missions' for the Armenian cause have a psychology and motivation which is again uncannily similar to those of the Palestinian *fedayeen*. They believe that terrorism is the only weapon left to them, and that it is only the propaganda of atrocity that can bring them the international publicity and pressure to further their cause. Yet, not all publicity is good publicity. The terrorism of the fanatics has only tended to strengthen the stubborn refusal of the Turkish government and people to make any political gesture or concessions to Armenian nationalism, just as Palestinian terrorism has only intensified the Israeli government's hostility and its determination totally to ignore the demand for Palestinian self-determination.

Turkey has always flatly denied the genocide of the Armenians in 1915. While admitting that many deaths occurred, the Turks claim that this was due to attacks by bandits and economic deprivation rather than an official policy of massacre. The weight of international historical opinion, however, holds that genocide certainly occurred. In a statement on 31 July 1983 President Kenan Evren, speaking in Anatolia, said: 'Turkey will not yield an inch of territory . . . this land on which we live has been Turkish for a thousand years and will remain so.' He also attacked those who indoctrinated Armenian youth with 'distorted facts' and armed them, and demanded that certain countries which had 'tolerated' terrorist acts should mend their ways.

Finally, the Armenian case poses similarly acute problems of national and international response. Most of the Western democracies that have had major successes in defeating terrorist campaigns have done so by employing quite sophisticated multi-faceted policies including a blend of improved intelligence, policing and judicial control with sound political and economic measures designed to remedy major injustices and grievances which would become invaluable terrorist weapons. But the Turkish authorities, like the Israelis, have proved totally politically unyielding and insensitive. They seem to believe that repeated applications of crushing military or para-military force will provide the panacea for eliminating the terrorist threat. In reality, such an approach undermines democratic processes and basic rights and fuels an endless spiral of terror and counter-terror.

If we examine the facts about the Armenians and their grievances, we find that like most exiled national liberation movements many of their aspirations seem impossible dreams, given the current realities of international politics. We can also draw the important lesson that the international community can

not afford to permit an orgy of revanchist violence by each and every party that claims to have suffered harm at the hands of another state or group. This would be a recipe for a descent into a barbarous anarchy. However, as has been argued earlier, the political and moral case of the Armenians is one which does deserve serious re-examination by the international community. This is long overdue, to say the least. In Professor Leo Kuper's words, the Turkish genocide against the Armenians 'disappeared down the UN's memory hole' when the UN Convention on Genocide was finally drafted.[3] Subsequent attempts to raise the matter at the UN Commission on Human Rights have been blocked. If this committee still refuses to take the matter up, consideration should be given to setting up a special UN ad hoc committee to investigate the whole problem. Failing this, another possibility would be to raise the subject at the Helsinki review conference. It would be interesting to observe Soviet reactions.

Indeed, it is just possible that such quite modest and practicable steps undertaken, for example, at the UN and in the international human rights fora could make as significant a contribution to curbing Armenian terrorism as the more obvious, yet equally necessary, measures of improved intelligence co-operation and firm police and judicial action against those guilty of terrorist crimes. The international community ugently needs to find a way of giving the moderate and non-violent representatives of the majority of the Armenian community a fair hearing in the international fora of human rights. This would tend to isolate the terrorists further and could serve as a strong encouragement to young idealist Armenians to canalize their activity into creative politics and diplomacy and away from violence. Prevention is far better than cure when innocent lives are at stake.

[3] Kuper, *op. cit.*, p. 219.

The Third World in transition: new hope for global expansion?

A. C. MATTADEEN

FROM the viewpoint of the industrialized countries classified since the 1960s as the OECD·group,[1] the dominant feature in the post-war years was the awareness of their interdependence in trade and other economic relationships. Economic historians may one day marvel at the speed and depth at which co-operation developed in this group, most of whose members had been at war with each other only a few years previously. The reward for their co-operation was the rapidly rising standard of living and the virtual disappearance of unemployment within the group. The CMEA countries apart, the world was divided between a first and a third world and the separation between the two was generally perceived as a widening gulf. Even the well informed wrote about the divide between the developed and the underdeveloped in a pessimistic way that reflected a lack of historical perspective. Yet, a mere glance at the nineteenth century would show that several of the developed countries of today were then underdeveloped, while Japan, from being one of the world's most impoverished countries, had become a prosperous industrial nation of the first order in a relatively short time.

While prosperity was directly related to economic co-operation, the latter in turn was dependent on three favourable post-war conditions: (i) the wealth and outward-looking policies of the United States; (ii) the relative cheapness of energy, chiefly oil; and (iii) the long-sustained post-war demand for more and more consumer goods and services.

The OPEC price rises of the 1970s are now widely regarded as the start of the difficulties for the industrialized countries; yet it was becoming clear before the impact of OPEC that the ability and capacity to produce industrial goods were exceeding the ability and capacity to purchase these goods. In short, world trade was too small for the run-away post-war industrial development: a zero-sum trading pattern had developed between the industrialized nations where A's surplus on current account was B's deficit.

The opportunities to widen world trade outside the OECD countries were constrained by the gulf in terms of income and various social indicators between the industrial and developing nations. But that was a view more appropriate for the early 1970s than the early 1980s. During the last decade,

[1] The members of the Organization for Economic Co-operation and Development are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Federal Republic of Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States.

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the Third World has become less homogeneous in terms of its members' common separation from the industrial countries.

Today the developing countries (LDCs) number 160 nations, from populous China (976 millions) and India (673 millions) to mini-states like the Seychelles (0·1 million). Western cultural bias tended to over-emphasize the similarity between them and underplay their diversity by adopting the attitude that common poverty makes for a homogeneous group. Yet, poverty is not the most useful criterion for the ordering of nations. Several LDCs have, for a long time, been 'two-nation' economies with large numbers of rich and poor citizens as, for instance, Victorian England at a time when this country was already a great industrial nation and the centre of a large empire. Most are classified by the World Bank as middle-income economies with per capita income ranging from over US$400 to over US$4,000 (1980 figures)[2]; moreover, since the majority are sun-belt countries, per capita GNP comparisons between this group and temperate industrialized countries can be very misleading. Among the middle-income countries, some twenty nations ranging from Costa Rica (with a life expectancy average of 70 years), Jamaica (71 years) to Hong Kong (74 years) have achieved, at 1980 figures, life expectancy rates comparable to the developed countries, e.g. UK (73 years) and USA (74 years).[3] Since life expectancy reflects infant mortality rates, the adequacy of food and health care, and life-style, it is a social indicator no comparison can ignore.

A more useful criterion for distinguishing between developed and developing countries—and the crucial point for the purpose of this article—was the relative economic insulation of the latter from the world economic system: they could be included into this system only through their primary commodity exports (frequently a single cash crop) or the level of the official development assistance they received. Weak access to financial markets and their trivial share of industrial exports were the key factors for their exclusion from the global system. However, during the last decade, these were to change substantially, thus establishing an interdependence which is one of the major economic challenges of the remaining years of this century—major in that only an inveterate optimist would believe that the US economy can be restored to the relative early-post-war level that would enable it to become once more the engine for sustained growth of other industrial economies.

The rise of the NICs

The shake-out among the LDCs in the 1970s was, in several cases, the continuation of trends already evident in the 1960s; but by the start of the 1980s, it was clear that a general separation between countries on the move and a more troubled group had developed. The former included the oil exporters, with the capital-surplus oil exporters as a major sub-group and the ten newly industralized countries (NICs) which had become prominent as exporters of

[2] *World Development Report 1982* (New York: OUP for The World Bank, 1982), 'Basic Indicators', pp. 110–11.

[3] *ibid.*

manufactured goods. From 1970 to 1979, the NICs increased their export of manufactured goods by about 26 per cent annually[4] and by 1980, their combined weight in world trade terms was exceeded by only two industrial countries, the United States and West Germany. Of greater importance was that they demonstrated a remarkable ability to diversify into higher technologies and moved from labour-intensive goods like textiles and clothing. From 1970 to 1980, the annual growth in manufacturing output of even such high performers as Hong Kong and Singapore (9·3 per cent and 9·6 per cent respectively) was exceeded by Brazil and the Republic of Korea (10·3 per cent and 16·6 per cent respectively). In contrast, the figures for leading industrial countries for the same period were: Japan (6·4 per cent), US (2·9 per cent), West Germany (2·1 per cent) and the UK (0·1 per cent).[5]

The NICs had very little in common as a group—indeed, each was more similar to its immediate neighbour—but there was a sharp difference in attitude. The Republic of Korea, for example, had only a very small modern sector in the 1950s and manufacturing was about 6 per cent of GDP. Initially, industrialization was directed to import-substitution, but an outward-looking approach developed more quickly than in comparable countries. The export-orientated industrialization and a responsible attitude to wage increases led to a take-off and a containment of inflation: GDP in 1973 grew by 15 per cent and inflation was held at only 3 per cent. However, as South Korea was now heavily dependent on imported oil, the 1973–4 price rises in oil led, approximately, to a fivefold worsening of current account deficit in the balance of payments to 11 per cent of GNP. Foreign borrowing was increased to cover the deficit, but the authorities soon turned to increased industrialization and trade to expand out of their economic troubles. By 1977, the trade gap was almost closed and in the 1974–9 period, GNP grew by an average of 10·1 per cent annually. The Republic could not escape the second oil price shock of 1979–80, nor could it, as a large exporter of manufactures, fail to reflect the world recession; but by the end of the 1970s, it was clear that a growth momentum had been maintained and the country had broken away from the trend in its immediate neighbours, except Japan.[6]

The two Latin American NICs, Mexico and Brazil, had much in common but were different in one important area—the first was oil-rich while the second was heavily dependent on imported oil. During the 1967–73 period, Brazil's industrial output rose by an average of 13 per cent per year. After the 1973–4 oil price rises, the small balance-of-payments deficits rose sharply, reflecting the country's vulnerability to imported oil prices. The authorities took very ambitious steps to reduce the dependence on imported oil by local oil exploration and massive investments to convert sugar-cane into alcohol.[7] In the longer term, Brazil may break this dependence on imported energy by the

[4] *OECD Review 1982*, Chapter IV.

[5] *World Development Report 1982, op. cit.*, 'Growth of Production', pp. 112–13.

[6] *World Development Report 1981* (Washington, D.C.: The World Bank, August 1981), pp. 68–9.

[7] *ibid.*, p. 70.

development of its vast hydroelectric potential, which is estimated at over 200 million kilowatts. A new government came to power in 1974 with a commitment to continue expansion notwithstanding the external shocks. Domestic demand was allowed to rise through subsidies and a relatively low interest rate. The result was that after 1979, annual inflation reached about 100 per cent. The national ethos was growth and a 'trickle down' process to improve the living standards of all Brazilians and, with its newly found place in the global economic system, Brazil borrowed heavily (at the end of 1982, foreign indebtedness was about US$90 billion) to cover the trade deficits and to finance capital-intensive import-substitution projects.

While Brazil is regarded as having been a responsible borrower, Mexico is described as reckless (at the end of 1982 its debt was US$80 billion). During the 1960s and 1970s, the Mexican economy grew at a rate which was impressive even against the rates of the leading industrialized countries (see Table 1).

Table 1. *Average annual growth rate (per cent)*

Country	GDP		Manufacturing	
	1960–70	1970–80	1960–70	1970–80
Mexico	7·2	5·2	9·0	5·9
Japan	10·9	5·0	11·0	6·4
Germany	4·4	2·6	5·4	2·1
USA	4·3	3·0	5·3	2·9

Source: World Bank, *World Development Report 1982, op. cit.*

With its massive oil reserves, Mexico operated outside the OPEC cartel but enjoyed the benefits of the OPEC-induced price rises. Being already a middle-income economy with a very substantial and modern industrial sector, it was well poised to become a fully fledged industrialized country within a decade or two. The allegation of recklessness ignores several important facts. All Mexicans of the poorer classes are very aware of the good life across the northern border and, with Mexico's history of revolutions, no government could hold back the tide of expectations when the oil wealth potential became well known. The expansion of public spending under the Portillo government was financed largely by foreign borrowing and the lenders were only too willing to lend to an economy offering such a good collateral as oil reserves. Keynes once observed that when a foreign country defaults, the asset purchased remains in the borrowing country; the substantial capital flight apart, Mexico, like other Latin American indebted countries, is not bankrupt but has a liquidity problem.

This view is supported by the Managing Director of the International Monetary Fund, J. de Larosière, who told a gathering of bankers in Boca Raton, Florida, on 9 May that 'although the situation in these countries reflects lagging adjustment, their problems are essentially of a liquidity nature and were triggered by the rapid build-up of short-term debt and debt service

in a period of historically high interest rates and prolonged recession.' He went on to give the Fund's view on the entire situation, which is a far cry from the declarations of the prophets of doom: 'Looking beyond the current year to the period 1984–6, our projections—which are based on the critical assumption that the industrial countries will achieve an average annual real growth rate of 2½–3 per cent—suggest that the aggregate current account deficit of the non-oil developing countries could be expected to settle in the neighbourhood of 14 per cent of their exports of goods and services. This represents a considerable improvement over 1980–2, when the ratio exceeded 20 per cent. Deficits of this size should not pose serious financing problems or unmanageable debt burdens in the aggregate, although difficulties might still be encountered by individual countries.'

Towards industrialization

The NICs cannot be seen as a static group and more countries could be identified as 'newly industrialized' in that they have substantial industrial sectors at a relatively advanced stage of development. In some cases like Israel, India and Argentina, they have reached a level of technological development which is more advanced than the NICs (China could be included in this group). Somewhat lower down are economies like Egypt, Pakistan and Bangladesh, which also have relatively advanced industrial sectors. In addition, there is a group identified by the OECD Secretariat as currently exporting manufactured products in excess of a bench-mark of US$100 million in 1979.

The OECD 1982 Review acknowledged that there were some thirty developing countries exporting manufactured goods in the US$100 million to US$700 million range, but reduced the list by a criterion which identified 'genuine newcomers' and gave a final list of sixteen countries classified as 'second-tier' exporters of manufactures. Expressed in terms of value of exports of manufactures in US dollars at 1979 figures, these sixteen newcomers are: (i) the $100 million–$1 billion group—Chile, Cyprus, Haiti, Indonesia, Jordan, Macau, Malta, Mauritius, Morocco, Peru, Sri Lanka, Tunisia and Uruguay and (ii) the $1–$2 billion group—Malaysia, Philippines and Thailand. Older exporters of manufactures may be added to the first group such as Colombia, Dominican Republic, Egypt, El Salvador and Guatemala, and to the second group—Pakistan and Argentina. In addition, there are the large exporters—the $3–$6 billion group of Yugoslavia, Mexico, India, Israel, Brazil and Singapore; and the over $10 billion group of Hong Kong, Taiwan and Korea.

A single reason for this achievement during a decade when the industrialized economies were reeling from the two oil-price shocks cannot be given. However, it is a fact of economic analysis that when an input (oil) rises in price relative to the price of the substitute, in order to maintain output at the same level (requiring a higher expenditure at the new relative input prices) it will be necessary, subject to the substitution effect between the inputs and consideration of long-term optimum results, to adjust to an input-mix where less oil and more of the substitute is used. Where in one location the increased usage of

the substitute tends to raise its price, production will move to another location where the substitute is comparably cheaper and less able to command a higher price as a result of an increase in its usage. Remote though it seems, labour is a *substitute for oil (and other energy) and labour in the LDCs is a substitute for* labour in the industrial countries (and, by implication, of energy).

This type of adjustment could only be prevented if protection is used to stop the outward flow of capital or the inward flow of goods from cheaper labour markets. Unilateral curtailment of outward capital flow may be tantamount to a denial of relatively attractive investment opportunities to home-based capital while others (foreign) are free to seize those opportunities. Import control would be an income transfer from consumers to the employed workers.

The question which remains to be answered is: what were the unique factors which enabled one group of LDCs to break away from the group of troubled nations to join the mainstream of development? Allowing for individual differences, the NICs adapted rapidly to a climate favourable to their exports which, at the same time, allowed them to protect their infant industries without contravening the arrangements of the General Agreement on Tariffs and Trade (GATT)—in short, like OPEC, they saw their opportunities and seized them. Yet, the outward looking approach with an impressive growth in the export of manufactures should not be taken as their only achievement. After all, a country may, by tax incentives, free port zones, etc., quickly attract exporting industries which are really based on expatriate technology and trained personnel. India, in contrast, was widely regarded as stagnating during the 1950s and 1960s, but in reality was building up a large community of scientists, engineers, technicians and administrators. With an economy large enough to sustain an inward looking industrial development, a large and advanced industrial sector, not relying on expatriate personnel, developed—ensuring a virtual sufficiency of manufactured goods to meet home demand. This was generally the pattern in China and Argentina. This type of developing process is often played down because import substitution is a viable policy available only to a few large economies and, of course, has the disadvantage that it removes the external competitive edge which stimulates product design and development. For example, consumer goods exported by the Soviet Union still suffer from 'backwardness in design' etc. The more recent export success in manufactures for a country like India was the natural second stage in the development process. Furthermore, the impressive gains in food production allowed foreign exchange to be diverted from imported food to oil—the key input in the export drive.

The distinguishing feature of the development of the 'second-tier' countries was their ability to move into the vacuum left by the NICs, as these adapted to a higher technology and produced a more diversified range of goods. These 'second-tier' countries are currently at the labour-intensive stage and as such enjoy considerable advantages in textile and clothing production.

Capital formation is the critical factor in development and, in contrast to the industrialized countries where saving and investment fell after the 1973–4 oil

shock, both rates rose in the developing countries with the significant exception of the more troubled least-developed group (see Table 2).

Table 2. *Average annual growth in domestic saving ratio to GNP for groups of oil-importing developing countries (per cent)*

Group	1960s (early)	1970s (late)
Middle income	13·2	18·3
Low income	13·2	15·5
Least developed	9·4 (early 1970s)	6·5 (late 1970s)

Source: Extracted from *OECD Review 1982*

The literature on development tends to over-emphasize the importance of foreign capital in the development process. According to the World Bank, foreign capital has financed about one-seventh of total investment in the LDCs while the remainder has been met from domestic saving.[8] The importance of foreign capital is not merely the volume but also its role as a cushion against balance-of-payments shocks, which have been all too frequent in the 1970s.

As for the least-developed group—mainly the Sahel countries of Africa—all indicators, social, economic or otherwise, are pointing to a grim prospect of near permanent stagnation or even a worsening situation. They are too poor to attract commercial financial assistance and generally lack the infrastructure to use aid efficiently, so that even concessional assistance is not readily forthcoming.

Conclusion

This article began by identifying the co-operation of the early post-war years which laid the foundation for the economic growth of the industrialized countries. International trade has diffused the benefits of this growth to a wider group of nations and, in consequence of expanding interdependence, the dichotomy between the first and the third world is now in need of reappraisal. The newcomers did not rely on assistance of the type recommended by the Brandt Commission (laudable as this may be) which urged rich countries to transfer a given percentage of their GNP to them, neither did they remain over-dependent on the export of primary products and put their faith in a 'New International Economic Order'. They took to the market place and laid a claim to a greater share of the world's resources. (OPEC, towards the same end but by a different technique, did the same.) Success was achieved largely by their own efforts. Indeed, in relative terms, they received less in concessional aid than the amounts disbursed by Marshall aid to Western Europe or by the US direct to Japan after the Second World War. In several cases, their ability to move up market made our textbooks outdated: Brazil was not just about coffee—it made planes and exported some of these to the United States; and South Korea's success at shipbuilding was said to be responsible for the

[8] *World Development Report 1982, op. cit.*, 'Long-term development trends'.

closures in centuries-old shipyards in some Western countries. By the time the industrialized countries had accepted the inevitable loss of the comparative advantage for such labour-intensive goods as textiles and clothing, the NICs had already diversified into more advanced manufactures and a new group had taken on the textile and clothing industries.

This does not mean that the industrialized countries could not, and did not, adjust in accordance with the message transmitted by international trade, for there were very substantial movements into high technology. There are, however, two major problems: a world recession restricts the demand for high-technology goods, and what there is goes to those who adjusted more rapidly; also, high technology is not labour-intensive and will not take up the labour slack in the short term. When people lose their jobs, they do not rush to text-books on economics for an explanation—they blame 'cheap imported goods'. Thus import control may come to be seen as a more viable policy than it can be in reality. The prevailing opinions at the international level are still opposed, however, to protectionism—the OECD Ministerial meeting in May 1982 and the Versailles summit came out firmly against any move in that direction.

Since the GATT Ministerial meeting in the autumn of 1982,[9] it has become clear that the developed countries expect the NICs and other successful new exporters of manufactures to adhere more closely to the GATT codes. This is based on the view that, first, the more advanced group has now acquired the industrial competence which the infant industry provisions were made to foster; and, second, that their trade liberalization would assist the less advanced exporters of manufactures in South–South trade expansion. The point must be made here that it is becoming increasingly futile to discuss trade liberalization through tariff reductions when exchange rate changes can offset the benefits of the arrangements before they have become effective. Global discipline in this area must come from the leading industrialized economies.

The NICs merely showed the way: the current reality is one of an increasing number of developing countries relying on export-led growth as the engine of their development effort. This is happening in a world where 25 per cent of total output is now exported and consequently in a global system where recession is rapidly transmitted to its constituent parts. The trade in manufactures is overwhelmingly determined by the industrialized countries and economic growth in these countries is central to the prospect of a further expansion of the economies of the industrializing developing countries. The Development Assistance Committee subgroup of 17 of the OECD's 24 members import only 12 per cent of their total import of manufactures from non-OPEC developing countries (at 1980 figures): there should thus be considerable room for an expansion of this trade, provided the developed countries can return to an approximate 3 per cent growth in the mid-1980s. The estimates given in the 1982 OECD Review are that, on the basis of past performance, this level of growth would lead to a 9 per cent annual growth in the exports of manufactured goods by the non-oil developing countries—quantitatively expressed as

[9] See Stephen Woolcock, 'GATT: a loss of momentum', *The World Today*, January 1983

US$8 billion to US$10 billion in the early years. This, combined with a gradual liberalization of trade as determined by the level of development of the newcomers, could create the climate for a further large-scale expansion of the world economy.

Notes of the month

FRANCE, LIBYA AND CHAD

AFTER a great deal of hesitation, the French, in the third week of August, sent troops to Chad as part of a mission code-named Operation Manta. The decision to do something more than send arms in support of Hissène Habré's attempts to defeat the rebel forces of Goukouni Oueddei was arrived at only when it became obvious to President Mitterrand that Libya's Colonel Qaddafi was directly involved in the civil war. Most of those who felt that it was a French duty to preserve the territorial integrity of Chad believed Mitterrand had sent enough force, but too late, and with too restrictive a mandate. Mitterrand's detractors argued that the arrival of one hundred 'instructors' in the north of Chad during July would have given pause to any outside power considering an intervention. The statements of various French leaders to the effect that France did not want to be involved in a civil war had only encouraged Libya to take bold military steps. But Mitterrand insisted in mid-summer that his ability to act was restricted by French agreements with Chad.

The terms of the 1976 Franco-Chadian military co-operation accord speak only of logistical support. Article 4 goes so far as to declare that French military personnel in Chad cannot 'participate directly in operations of war, or in the maintenance or re-establishment of order or legality'. In an interview he gave to *Le Monde* on 25 August as 2,500 troops were giving shape to Operation Manta, Mitterrand admitted that French action did, in the event, go beyond the strict terms of the co-operation agreement, but insisted that French troops would not advance from their southern bases to recover territory occupied by rebel forces. The policy would be one of deterrence: French troops were based at Abéché and Salal in the south, two towns lying just below territory Libyan aircraft could reach from existing bases, and the 'red line' thus drawn across the centre of Chad, along the fifteenth parallel, would be one France would defend, but not cross.

The arrival of Jaguar and Mirage aircraft at the capital, N'Djamena, had raised the hopes of government forces, but by the second week of September Radio N'Djamena was complaining that French soldiers merely kept their guns at their feet while the FAN (*force armée nationale*) was having to face northern invaders by itself. Earlier in the month, the French had sent aircraft over Oum Chalouba, a town held by government forces but attacked by Oueddei's army. A few symbolic passes had served to frighten the rebels off. But in principle the radio's statements were correct—the French army was playing a waiting game. Unwilling to impose a military solution which would collapse once the French left, the Mitterrand government wanted to present itself as a stabilizing factor in Chad, and troops will remain until a diplomatic solution is found. As one French commander put it on arrival in the Chadian capital: 'We will arm ourselves . . . with patience.'

French policy thus created a military stalemate. Goukouni Oueddei, though declaring his intention to invade N'Djamena, cannot hope to defeat the French stationed there. For his part, Colonel Qaddafi has little incentive to go further. Indirectly in control of the Muslim part of Chad, Qaddafi has everything in which he has declared an interest. Intent on still preserving decent, if not exemplary, relations with France, the Libyan leader has no desire to confront French troops directly. Habré would prefer to re-establish his power in the country as a whole, but does not have the means to do so without French assistance. His fear is that the *de facto* partition of Chad will be translated by manoeuvrings of diplomats from other countries into a final division. The fear is that Faya Largeau and the rest of the north will, like the Aouzou strip which Qaddafi has occupied since 1973, be annexed by Libya. A permanent *Anschluss* of northern Chad would be intolerable not only to Habré, but also to other African leaders in the region. In principle, Libyan control would also be unacceptable to France, as any break-up of Chad would point to a decline in France's ability to guarantee the territorial integrity of countries close to it.

The question remains whether the timing and the nature of the French intervention will make a diplomatic solution to the problem of Chad easier, as the Elysée hopes, or more complicated, as many moderate African states expect. The first political aim is to settle the issue of Libya's interest in Chad which made French intervention necessary. The second aim would be to find a permanent solution to the civil war in Chad itself, which has provided the occasion for Qaddafi's adventurism.

There are very few things that are likely to induce Qaddafi to withdraw completely from Chad. Even though his alliance with Oueddei is rather shaky, and though sections of the army and the public in Libya are against heavy involvement in Chad, Qaddafi's interest in the north of Chad is permanent. While the official French position is that the settlement of the sovereignty problem with regard to the Aouzou strip is a bilateral one for negotiation between Chad and Libya, some circles in Paris believe that the cession of the Aouzou strip to Libya should be considered. But Qaddafi might not be satisfied with winning what he believes to be his anyway, and such a dramatic change in the frontiers of Chad would not be something the Organization of African Unity (OAU) could accept happily. Habré's worst fears of an agreement by which France would be allowed 'its' Christian Chad of the south, while Qaddafi was given 'his' Muslims of the north are unlikely to be realized. Yet, the eradication of Qaddafi's immediate influence in Chad will have to be bought at some price. Possibly the least he could settle for would be the installation in N'Djamena of someone he could deal with comfortably.

The 'third man' solution to the present crisis in Chad is being much discussed in Paris. Early in the conflict, the Foreign Minister, Claude Cheysson, spoke of the civil war as being primarily a *'guerre des chefs'*. He did so to warn the Americans that the French would not accept any analysis of the crisis which over-emphasized the East–West international rivalry. But his

remark also indicated French understanding of the bitter rivalry between Oueddei and Habré. Hence the idea of finding a young man, unconnected with either of the present leading contenders for power, who could govern over a united Chad. It will not be easy, however, to convince Habré to step down in favour of a compromise candidate, and many in France still believe that the best policy for the government is to continue to give support to Habré, rather than tolerate an unknown. Mitterrand's personal preference, which he expressed at the end of August, is for the creation of a federation. First discussed in 1978, and then proposed by Giscard d'Estaing at a press conference in February 1979, the idea of a Chadian federation has always been rejected out of hand by every leader of influence. Habré himself immediately responded to Mitterrand's mention of it by declaring that he thought the establishment of a federation in Chad tantamount to partition, and therefore unacceptable. It is unlikely, in any case, that a change in the Constitution would appease all those vying for power in the country.

Whatever negotiations take place over the future of Chad, France will have to play a major role. The Ethiopian Head of State and acting President of the OAU, Mengistu Haile Mariam, with whom the French are in regular contact, will be an important figure, but the OAU as an organization will not be terribly effective. Its own subcommittee on Chad, comprising representatives of Gabon, Algeria, Cameroon, Mozambique, Nigeria and Senegal, chose not to hold its planned meeting in Libreville on 8 September, ostensibly so as not to disturb the 'delicate diplomatic negotiations' which others were undertaking, but in reality because there were so many disputes among the members. President Bourguiba of Tunisia is among the few figures outside the French leadership who could help convince the major actors in the Chad drama to get round the negotiating table. Bourguiba's relations with Qaddafi are good without being warm, and he has retained friendships with those francophone African states most concerned about the situation in Chad. The French will welcome him as a middleman, but no final solution will come about that does not have French blessing.

Meanwhile, all the old questions about the French ability to act overseas are again being raised. Called on to perform in Lebanon as well as in Chad, the French armed forces have been extremely active. Given France's apparent desire to answer all legitimate calls for help, the plan of the Defence Minister, Charles Hernu, to create, in fulfilment of the 1984–8 Military Programme Law, a rapid action force of 47,000 men is becoming of increasing importance. But there is rising concern as to whether it is right for the French government to use force on the African continent. Maurice Faure, President of the Foreign Affairs Committee of the National Assembly, and recently Mitterrand's personal envoy to Mengistu, publicly complained that African states are relying too much on France and called for a revision of France's attitude towards African security. But until African states themselves are able adequately to replace French guarantees, a substantial change in policy will not be forthcoming. At least for the medium term, France will be forced to manage its post-colonial dilemma.

French leaders will continue to struggle with the fact that France has some implicit military responsibilities under existing agreements from which escape is awkward or impossible, while having voluntarily renounced the right to impose political solutions.

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UPPER VOLTA: ANOTHER PIECE IN QADDAFI'S PUZZLE?

COMING on top of the growing French involvement against Libyan-backed forces in Chad, the news of a successful coup in Upper Volta on 4 August, re-establishing the pro-Libyan former Prime Minister Captain Thomas Sankara in power, raised again the question of the extent of Colonel Qaddafi's ambitions: does the Libyan leader aim at controlling the whole of West Africa? The next missing piece in the jigsaw puzzle could be Niger, a country bordering on the disputed territory of Chad, and a major supplier of uranium to the former colonial master of Chad, Niger and Upper Volta.

In terms of strategic or economic importance, Upper Volta ranks below Niger. Since independence from the French in 1960, successive civilian and military governments have proved quite incapable of pulling this landlocked country out of its extreme poverty. The human resources are there—the people are resilient and hard-working (much of neighbouring Ivory Coast's relatively prosperous economy depends on their labour)—but the physical ones are totally absent. Each year the Sahara creeps further south into the Sahel. The great drought of 1968–73 brought an influx of Western aid, on which the country is now completely dependent. And the deterioration persists: in July, the northern area was declared a disaster zone, and a desperate appeal was made to Western donors for additional food aid.

The background to the latest coup was the overthrow last November of the military government led by Colonel Saye Zerbo. Popular at first when it took over from President Lamizana in 1980, with Saye Zerbo winning real admiration for being the first ever Head of State to visit the Sahel in the north by road (and anyone who has seen a 'road' in that area will be impressed), it was seriously weakened by divisions between the older traditionalist officers on the one side and the younger radical ones on the other. (Despite the fact that there are some sixty different ethnic groups within the country—though one of them, the Mossi, comprises some 60 per cent of the population—there is little political division along ethnic lines.)

The new President to emerge in the wake of last November's coup, the army doctor Jean-Baptiste Ouédraogo, was a worthy and honourable man, but he was largely a figurehead. The real power struggle was between two men with

widely differing views on the country's political future: Colonel Gabriel Somé Yorian and Captain Thomas Sankara. The former, known as 'Maggi Cube' owing to the fact that he had figured in every governmental 'sauce' for the past couple of decades, had significant personal support within the army, particularly among the more traditionalist/conservative elements. The latter, the radical Captain Sankara, was the hero of the 1974 war with Mali, with a reputation for considerable daring. The tale was told that, having warned the then President Lamizana that his personal security was defective and been banished to the Ghanaian frontier for his pains, Sankara had led a forced march of five commandos to the capital and burst into the President's bedroom to prove to him that the unexpected group of intruders could have seized immediate control. In the countryside, he had organized co-operative groups of soldiers and peasants to improve cultivation, to the considerable displeasure of his superior officers. He was also said to have been a secret militant of the Revolutionary Communist Party of Upper Volta (PCRV).

In January this year, Sankara, cleared of charges preferred against him by the former régime, became Prime Minister; on 17 May he was arrested; on 4 August he seized supreme power. It was partly his Libyan links that led to his arrest in the May putsch, but they appear to have had but a minor role in his return to power.

Relations between Libya and Upper Volta had had their ups and downs under President Saye Zerbo: one moment the Libyan cultural centre was closed, the next the Voltaic President was visiting Tripoli. Qaddafi has always been interested in extending his influence over this country with a large Muslim population (though none of its inhabitants are Arab, and many have Christian or traditional beliefs). Some of the younger, radical elements in the armed forces saw him as an acceptable counter-influence to the French, but they remained wary: Libyan planes which mysteriously arrived at Ouagadougou airport on the morning of the November coup were sequestered and then sent back.

As Prime Minister, Sankara had tried to develop the Libyan connexion. One of the first journeys he made was to Tripoli, followed by visits to North Korea and to Delhi for the Non-Aligned Conference, at which he denounced neo-colonialism and imperialism. Libya had promised £5½ million in aid. A series of co-operation agreements had been signed, with Libya undertaking to help set up a number of 'mixed economy' companies, including a bank. However, nothing concrete had come of this by the time Sankara was ousted in May, possibly because the Libyans were still awaiting fulfilment of his part of the bargain: condemnation of United States policies, especially the 'illegal' manoeuvres of US warships in the Mediterranean, recognition of the rebel leader Goukouni Oueddei in Chad as well as of the Democratic Arab Saharan Republic of the Polisario, and the espousal of Qaddafi's 'third way' claimed to be an alternative to communism and capitalism.

At the end of April, Sankara sent a secret mission to Benin to invite Qaddafi, who was on a visit there, to call in at Ouagadougou on his way home.

President Ouédraogo discovered this only a day before Qadaffi's May Day visit, when a special plane-load of Libyan security men flew in to make preparations. As a result of this visit, an air bridge was established, with three or four Libyan planes flying in daily with cargoes of arms, including heavy tanks (ironically, these tanks helped in the Prime Minister's arrest a couple of weeks later).

At the same time, trade union activity had been increasing. The right to strike, restricted under Saye Zerbo, had been fully re-established by the CSP, the new ruling military council elected by the armed forces after the November coup, within which Sankara had been given special responsibility for relations with the unions. Soumane Touré, radical leader of the most militant trade union confederation, CSV (dissolved by Saye Zerbo), had been rehabilitated. Despite the fact that only a tiny proportion of the population in Upper Volta is unionized, trade unions have played a considerable political role; they were instrumental in the overthrow both of the first President, Yaméogo, in 1966, and of Lamizana in 1980.

Captain Sankara's espousal of the 'socialist path' led to disquiet in some quarters. 'Marxist militants' from LIPAD (*Ligue patriotique pour le développement*), founded in 1973 but forced underground by Saye Zerbo, were said to be filling key positions in the state apparatus at the same time as several 'old-style' politicians and their associates were being rounded up (in the wake of a plotted coup at the end of February). The young officers of the CSP seemed bent on cleansing the corridors of power before returning them to civilian rule (promised within two years).

President Houphouët-Boigny, the Ivory Coast elder statesman of French-speaking West Africa, was critical of developments in Upper Volta. He refused to receive President Ouédraogo, telling him to get rid of the Libyans first. Apart from controlling Upper Volta's main outlet to the sea, the Ivory Coast provides work for many of its citizens, whose remittances play an important role in their country's economy. In Upper Volta, too, there were fears that Sankara might lead the country along the path of Jerry Rawlings's Ghana, where an increasingly radical political line had seemed to go hand in hand with a serious deterioration in the economic situation.

The role played by France in unseating Sankara in the putsch of 17 May is unclear, but the facts are suggestive. In April, Christian Nucci, French Minister for Co-operation, visited Upper Volta and promised greatly increased development aid, reportedly in return for a 'deradicalization'. The President and the Prime Minister were due to meet President Mitterrand's Special Adviser, Guy Penne, on 17 May. In the event, only President Ouédraogo was able to keep the appointment, and was given additional aid worth £40 m. Subsequent rumours about the sighting of French troops in Ouagadougou were almost certainly unfounded.

During the putsch, the Libyan chargé d'affaires' house was surrounded and he was later expelled, although diplomatic relations were not broken off. President Ouédraogo's house was also surrounded, ostensibly for his own pro-

tection; however, he does not seem to have been a party to the operation. Faced with the fait accompli, he considered resignation, but was dissuaded by the French Ambassador.

Colonel Somé Yorian's bid on 17 May to turn the country back from its increasingly radical path of development and concentrate power in his own hands seemed successful but for his failure to seize one of Sankara's key supporters, the commando captain Blaise Compaoré. The latter managed to escape Somé's drag-net and to regain his camp at Pô near the Ghanaian frontier. There was also some popular protest and, following demonstrations in the streets of Ouagadougou by students and trade unionists, Soumane Touré was arrested.

In the days after the putsch, a general assembly of the ruling military council expressed confidence in the President, but failed to support Somé's demand for a clear denunciation of communism. Fearing that the radicals in the CSP would hinder his plans, Somé had it dissolved. President Ouédraogo announced that a new Constitution would be drafted within six months, followed by presidential elections, in which he would not be a candidate. The President tried to defuse the situation by negotiating with Compaoré, and on 27 May all political prisoners, including Sankara, with the exception of those facing criminal charges, were released. At the same time, the curfew which had lingered since the November coup was finally raised, the nightclubs and bars reopened, and Ouagadougou celebrated.

However, it soon became clear that the power struggle was by no means over. Sankara and his supporters were arrested by Somé several times and then released. Both sides called demonstrations, those of the radicals being much better attended. Then Sankara learned that Colonel Somé was planning a military operation to remove him and his henchmen Lingani, Zongo and Compaoré on 6 August. Sankara moved first, and on 4 August seized power in what was the fifth coup since independence in 1960.

The coup last November had profoundly shocked the people of Upper Volta, as for the first time blood had been shed (the official death toll was five, though the true figure was undoubtedly higher). People spoke of a settling of accounts between soldiers, and doubted whether there could ever again be a bloodless coup: there would always be more accounts to settle. And they were proved right. Though in the coup of 4 August the loss of life was not particularly high (perhaps a dozen or so), the announcement a week later that Colonel Somé had been shot whilst trying to escape was all too reminiscent of the murder of Saye Zerbo's Minister of the Interior, Colonel Neziem Badembié, who was shot in the back after last November's coup, having given himself up in return for a guarantee of personal safety.

With the death of their principal opponent, the radicals may now remain in power for a considerable period. Sankara has already rejected the idea of returning to barracks within the two years promised by the CSP. The new National Council for the Revolution (CNR) is not apparently to be regarded as a military body, but rather as one composed of revolutionaries drawn from

both soldiers and civilians. Local Committees for the Defence of the Revolution will have the task of involving all sections of the people in the political and economic development of the country.

As far as the Libyan connexion is concerned, Sankara has made a point of distancing himself from Qaddafi since the August coup. One Libyan plane did arrive in the coup's immediate aftermath, but then Sankara asked that no more should be sent. None the less, relations with Libya are likely to remain friendly. Any aid from that country will doubtless be welcome provided it is offered without unacceptable strings attached. Relations with France may be slightly cooler than before, but the vast sums of official aid from that country (to say nothing of commercial links) make any potential Libyan aid seem but a drop in the ocean in comparison. It is doubtful, therefore, whether Libya will have any more than a marginal influence on the independent-minded inhabitants of Upper Volta. And Sankara, a charismatic and uncorrupt leader, could do more for political and economic development in this desperately poor country than any of his predecessors.

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The ambiguous consensus: French defence policy under Mitterrand

JONATHAN MARCUS and BRUCE GEORGE, MP

AFTER more than twenty years of steadfast opposition, the French Left seems to have come to terms with the Fifth Republic: the institutional framework of de Gaulle's regime has been largely accepted. A Socialist President now resides in the Elysée, with his government based firmly upon a loyal majority in the National Assembly. The General's legacy is also evident in the defence policy pursued by the Socialist government, where continuity seems to be the order of the day, with the new adminstration seeking to maintain the entrenched Gaullist consensus on defence matters.

France has been spared the turbulent public debate on nuclear weapons that has so divided its neighbours. The French have not experienced the widespread crisis of confidence displayed by other Europeans in the face of the perceived dangers from new Soviet and American medium-range missiles. All the major political parties and large sections of public opinion support the maintenance of a strong independent nuclear deterrent.[1] The staunch support given by President Mitterrand to the Nato decision to deploy cruise and Pershing missiles, a position endorsed wholeheartedly in Socialist Party statements, is in marked contrast to the unilateralist positions adopted by the British Labour Party. Furthermore, in contrast to recent British experience, defence was not a major issue in the 1981 presidential elections.

The Gaullist heritage

General de Gaulle had a particular vision of France's destiny in the world. To this end, defence policy and foreign affairs were circumscribed within a reserved presidential sector. Policy-making bore the General's strong personal imprint. De Gaulle built upon the foundations for an independent nuclear deterrent that had been laid by his predecessors under the Fourth Republic. In February 1960, France exploded its first atomic bomb.

In 1966, de Gaulle decided to withdraw French forces from Nato's integrated military command. France, whilst remaining a member of the Atlantic

[1] A SOFRES opinion poll published in *L'Expansion*, 6/19 May 1983, asked if the nuclear deterrent was seen as being positive or negative for France: 66 per cent replied 'positive', 21 per cent 'negative'. By comparison, the same poll in 1976 found 53 per cent 'positive' and 29 per cent 'negative'.

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Alliance, would thenceforth nurture its independence.[2] The nuclear deterrent, the *force de frappe*, was central to this policy. It was the means both to ensure its independence and to enhance its influence, thus giving France a seat at the world table.

With the development of Soviet strategic weapons, the US nuclear guarantee had become uncertain: America might lead its Nato allies into a non-European war. French military action should only be undertaken following a decision by a French President, and French territory was to become a sanctuary, insured against the ravages of war by its own nuclear weapons, aimed unashamedly at Soviet cities. This option, based upon *le pouvoir égalisateur de l'atome*, was the only independent strategy open to a medium-sized power: the only means by which the weak might confront the strong.

De Gaulle's successors maintained and developed the nuclear triad of land-, air- and sea-based weapons systems. During the early 1970s, tactical nuclear weapons were grafted on to the Gaullist panoply. These were not for battlefield use as a form of super-artillery, to be employed according to the prevailing Nato doctrine of the 'flexible response'. Rather, their firing in a single salvo would represent the ultimate warning to an aggressor as he approached the French sanctuary, signalling the imminent unleashing of the strategic deterrent.

During the early part of Giscard's *septennat*, there was some apparent modification of the Gaullist doctrine. Giscard spoke of French participation in the general battle in Europe and his chief of staff, General Méry, spoke of a *sanctuarisation élargie*, an extension of the national sanctuary, to include most of Europe and its approaches. The extent to which such statements significantly modified the practice of French defence policy is difficult to assess. The 1976 Military Programme Law certainly afforded a greater priority to conventional weapons than had previously been the case, yet a large part of these funds was dissipated in increased running costs. The early Atlanticist statements soon faded from the Giscardian rhetoric. Towards the end of his term of office, with his sights set on re-election, Giscard maintained an official silence on the Euromissiles question and travelled to meet the Soviet leader, Leonid Brezhnev, following the Soviet invasion of Afghanistan. This visit to Warsaw in May 1980 was not well received in France and haunted the former President throughout the 1981 campaign.

By the late 1970s, the Left had rallied to the *force de frappe*. This is an important factor in explaining the relative weakness of the peace movement in France. The small *mouvement de la paix* that does exist is strongly influenced by the Communist Party (PCF), whose alignment with pro-Soviet positions offends many potential supporters. Curiously, the intellectual climate in France, indeed public opinion generally, seems rather more anti-Soviet than elsewhere in Europe. Furthermore, French independence from Nato defuses

[2] Though outside the Nato integrated military command, France maintains liaison officers at Supreme Headquarters Allied Powers in Europe (SHAPE), French forces participate in joint exercises with other Nato armies and France is party to the joint air defence system in Europe.

any latent anti-American feeling which elsewhere in Europe undoubtedly constitutes one strand of the complex peace movement. Above all, the experience of occupation during the Second World War, still potent in the national collective memory, provides a powerful popular thrust to maintain the Gaullist consensus.

Socialist traditions

Historically, French Socialism has displayed a complex amalgam of four often contradictory attitudes towards defence and the military: a strident anti-militarism, internationalism, pacifism, and Republican patriotism. The defeat of 1940 and the Occupation proved a watershed for the Left. The Socialist Party (SFIO) emerged from the war committed to the Atlantic Alliance. However, the SFIO condemned the French nuclear deterrent and after 1958 the Socialists opposed de Gaulle's foreign and defence policies in their entirety. Mitterrand's presidential platform in 1965, when he was supported by both the SFIO and PCF, advocated the dismantling of the *force de frappe*.

In June 1971, the new *Parti Socialiste* was born, designed specifically to fight the electoral battle and achieve power under the institutional framework inherited from de Gaulle.[3] Though it encompassed the rump of the old SFIO, the new formation did not adhere solely to the moderate Atlanticism of its predecessors. This viewpoint coexisted with a left-wing perspective that was staunchly anti-American. There were also those whose outlook was tinged by a form of ecological pacifism; thus Third World issues and disarmament were important themes for the new party. The Socialists continued to oppose the nuclear deterrent and a renunciation of nuclear weapons was written into the Common Programme of Government, signed by the Socialists and PCF in 1972.

Continuity between the new party and the old SFIO must not be overestimated. The mission of the *Parti Socialiste* was to attain power and as the party saw itself coming closer to office, so it began to reassess many of its policies. Slowly the party moved towards an acceptance of the nuclear deterrent. Mitterrand's own political development is central here. He maintained that the military policy of General de Gaulle had been accepted by the French people and that atomic weapons were now an irreversible reality. Mitterrand's position was strongly supported by Charles Hernu (later to become Defence Minister), who campaigned within the party in favour of the *force de frappe*. The entry into service of the submarine-launched element of the nuclear triad had improved the military credibility of this force. The left-wing CERES group within the party favoured the deterrent as a means of ensuring French independence. The party rank and file were increasingly disillusioned by Communism both at home and abroad. The bitter disappointment caused by the protracted wrangling over the updating of the Common Programme in 1977,

[3] For a discussion of the development of the Socialist Party, see D. S. Bell and Eric Shaw (eds.), *The Left in France: Towards the Socialist Republic* (Nottingham: Spokesman, 1983).

and Soviet intervention in Afghanistan, prompted party members to fall in behind their leader's new viewpoint. Indeed, the surprising acceptance of the deterrent by the PCF in the spring of 1977 made an evolution in the Socialist Party's position easier.

The Socialists in power

Under Mitterrand, decisions concerning the broad lines of defence policy remain the preserve of the President. Continuity is maintained by the emphasis on French independence and the sanctity of the nuclear deterrent. In contrast to the rather more pragmatic or technocratic outlook of Pompidou and Giscard d'Estaing, Mitterrand advocates a moral dimension in international affairs: Socialist France has a mission in the world.

However, this independence is coupled with a clear perception of the dangers presented by a changing world and a firm commitment to the Atlantic Alliance. Mitterrand wishes to see an end to rival power blocs, yet regards the developing imbalance of forces in Europe as a major threat to peace. He identifies the Soviet SS-20 missile as a weapon of *découplage,* its aim being political as well as military—to divide the United States from its European allies. Mitterrand has castigated Giscard for remaining publicly aloof from the Euro-missile debate and has lent his clear support to Chancellors Schmidt and Kohl. France is worried by the neutralist drift in West German public opinion and feels that, due to the growing instability in Europe, France must be a firm partner in the Atlantic Alliance.

Continuity was also enforced by technical considerations. The options open to a medium-sized power wishing to maintain an independent policy are circumscribed. Many decisions that would set out the shape of French forces over the course of the next decade had already been taken. In July 1981, soon after taking office, Mitterrand, like his predecessors, made a symbolic visit to the nuclear submarine base at l'Ile-Longue to inspect the *Force Océanique Stratégique* (FOST). Mitterrand identified the submarine as the principal element in France's deterrent strategy and emphasized that in nuclear weaponry it was necessary to retain a *capacité suffisante* to remain above a threshold of deterrence.[4] As if to underline the Socialist government's acceptance of the deterrent, the Prime Minister, Pierre Mauroy, stated that his government wholly accepted—*prenait intégralement en charge*—de Gaulle's option for nuclear weapons. He concluded by stating that, although he was the Prime Minister of change, there was one area of policy where permanence was necessary, namely the imperatives of defence.[5] The government announced that a seventh

[4] *Le Monde,* 24 and 26/27 July 1981. The French strategic deterrent comprises 37 Mirage IV bombers, five nuclear ballistic missile submarines in service, one undergoing trials. Each submarine carries sixteen M-20 missiles, with a range of 3,300 km. The sixth submarine will carry sixteen M-4 missiles, with an increased range of 4,000 km, and a larger warhead. Four of the existing five boats will be updated to carry the M-4. Two batteries, each of nine S-3, land-based ballistic missiles, are positioned in hardened silos on the Plateau d'Albion.

[5] *Le Monde,* 16 September 1981, speech of Pierre Mauroy to the National Institute for Higher Defence Studies (IHEDN). Complete text published in *Défense Nationale,* October 1981.

ballistic submarine of a new design would be constructed and research would continue to improve both France's tactical and strategic nuclear armoury. The new adminstration's first step was to draw up a report on the progress of the 1976–82 Military Programme Law. This indicated that there had been some serious shorfalls or delays in equipment programmes due to the rate of inflation, which had exceeded the estimates contained in the original plan. This represented a loss of spending power of some 8 per cent, most heavily felt by the army.[6] It was decided to allow an extra year, 1983, for the completion of the existing programme, before embarking on a new five-year plan. However, the worsening economic climate took its toll of defence spending. In 1982, following a credit freeze in February, some 17,000 m. francs of military authorizations and credits were annulled. This meant the suspension of orders for twenty-five Mirage jets and a number of artillery batteries and armoured vehicles.[7] Earlier this year, the Defence Ministry was forced to postpone some 20 per cent of the new programme credits contained in the 1983 budget till after November.[8] The 1983 defence budget reflected the general background of austerity and the transition between two military programme laws.[9]

The rising tide of unemployment quickly led to the shelving of plans to introduce a shorter, six-month period of national service. In this field, Socialist proposals are clearly in the mould of Jaurès, emphasizing civic education and the relationship between the armed forces and the people.[10] In October 1981, the Defence Minister, Charles Hernu, announced that a shorter period of conscription would be temporarily abandoned and reforms would concentrate on the content and effectiveness of national service. Studies would be pursued to combine a shorter period of duty with a reformed reserve system. Technical specialists and other key personnel might volunteer for a longer period of service.

Preparations for the drawing up of the new five-year Military Programme Law, which would set out the Socialist government's defence and spending plans for 1984 to 1988, caused some disquiet in military circles. Documents were leaked to the press indicating that the government was envisaging significant manpower cutbacks. The controversy led to the resignation of the army Chief of Staff, General Delaunay.

The text of the proposed new Programme Law was published on 21 April this year. It did, indeed, envisage a reduction in manpower of some 35,000 men over the five-year period, the majority of the cuts being borne by the army. The

[6] *Rapport fait au nom de la Commission de la Défense Nationale et des Forces Armées sur le projet de loi portant approbation de la programmation militaire pour les années 1984–1988*, Document No. 1485, 11 May 1983, p. 9.

[7] *Le Monde*, 23 October 1982.

[8] *ibid.*, 25 February 1983.

[9] Defence spending as a proportion of PIBM (a derivative measure of GDP) remained almost constant from 1982 to 1983 at some 3·89 per cent.

[10] *L'armée nouvelle*, written by Jean Jaurès before the First World War, was the only important theoretical work produced by a leading member of the SFIO to discuss the military. Jaurès emphasized the need to root the army in the people and favoured a six-month period of national service, together with extensive civic education in schools.

Bill reasserted the priority afforded to nuclear forces: the sixth nuclear ballistic submarine, *l'Inflexible,* would enter service in 1985 and construction of the first of a new generation of submarines would begin in 1988. Work would start on the modernization of the existing submarine force, enabling it to carry the new M-4 missile, already mounted on *l'Inflexible.* Orders would be placed for a new tactical missile system, the *Hadès,* and the air force would be equipped with a medium-range air-launched tactical nuclear weapon (ASMP). Over the five-year period, some 30 per cent of equipment credits will be allocated to nuclear weapons. Hernu took pains to point out in his evidence to the National Assembly Defence Committee, that these tactical nuclear weapons were not for battlefield use. Rather, their development sought to re-establish *le couplage indispensable* between tactical and strategic nuclear weapons.[11] The enhanced range of the *Hadès* missile would enable these weapons to be grouped together on national territory, away from the army corps, which would enhance their role as weapons of ultimate warning.[12] The Defence Minister emphasized that no decision had yet been taken to deploy a neutron weapon, or *un armement nucléaire tactique modernisé,* as he preferred to call it. If the President took the necessary decision, the new military programme would permit this option and Hernu hinted that such a warhead might arm the *Hadès* missiles which would enter service in the early 1990s.[13]

The Programme sought to increase the mobility and firepower of the army. A rapid deployment force, the *force d'action rapide* (FAR), would be created which would unify under one command some 50,000 men. This would be equipped with a large number of anti-tank weapons and helicopters. Its mission would be both to intervene in Europe, alongside France's allies, at a place and time chosen by the French President, as well as to conduct operations overseas. Territorial defence duties would be increasingly transferred from the army to the *gendarmerie.* The French forces stationed in West Germany would receive additional tanks as part of the army reorganization and the navy and air force would continue to be re-equipped. Orders would be placed for a nuclear-powered aircraft carrier and also for an airborne early warning system. In total, the Programme will cost 830,000 m. francs over five years. This should represent some 3·91 per cent of PIBM in 1984, rising to 4 per cent towards the end of the period covered.[14]

Euro-missiles and the European dimension

Mitterrand strongly advocates disarmament, yet his first concern is the balance of forces in Europe. In the first instance, he maintains that disarmament should apply to the two over-armed super-powers. Mitterrand has displayed a firm line towards Moscow. It is ironic that the new Military Pro-

[11] *Rapport,* No. 1485, *op. cit.,* p. 96.

[12] Interview with Charles Hernu, *Le Monde,* 18 June 1983. *Pluton* has a range of 120 km, its successor *Hadès* a range of 350 km.

[13] Interview with Hernu, *ibid.,* 22 April 1983.

[14] For a detailed statement of the equipment programmes contained in the Military Programme, see *ibid.*

gramme Law, the first from a Socialist government, should so clearly spell out that the principal threat to France emanates from the Soviet Union. Indeed, for this reason, Communist deputies refused to vote for Article 1 of the new law in the National Assembly.[15] The government's defence policy raises a number of problems for the PCF. The Communists oppose any reduction in the duration of national service due to a deep-rooted fear of *l'armée de métier*, a professional army which, they feel, would develop alongside the short-service conscript force. The PCF has strongly criticized government studies for an enhanced radiation weapon and the Politburo of the PCF condemned Mitterrand's signing of the Williamsburg security declaration, which they regarded as limiting national independence.

Serious public disagreement surfaced recently between Mitterrand and the PCF leader, George Marchais, following the latter's trip to Moscow. The PCF leader, under mounting pressure from his Soviet hosts, has now espoused Moscow's position on the Euro-missile question.[16] Marchais has called for French and British nuclear forces to be taken into account at the Geneva talks, a position categorically rejected by Mitterrand.

The developing European dimension in French policy is also illustrated by the close relationship between France and West Germany. Mitterrand's speech to the Bundestag in January of this year unequivocally supported Nato's 'double decision' concerning the deployment of new medium-range missiles. France and West Germany hope for closer strategic co-operation through the revitalization of the military clauses of the Franco-German Treaty of 1963. French leaders have repeatedly emphasized that an aggression against France does not only begin when an enemy penetrates French national territory.

France has also called for increased European co-operation in arms development. Hernu's speech to the Western European Union in November 1982 identified an attack helicoper, a new battle-tank and an advanced tactical fighter aircraft as projects that might benefit from collaboration. Recently, Hernu met the British Defence Minister, Michael Heseltine, and arms co-operation again figured on the agenda.[17]

Whilst in opposition, Socialists spoke of bringing a new 'moral' dimension to overseas arms sales: in office, realism has prevailed. Whilst there may be no arms sales to South Africa or Chile, France remains a major arms exporter. In the first half of 1982, overseas orders represented some 26,400 m. francs. France has traditionally wished to maintain its own defence industries at a high level of technological development. Arms exports are crucial to spread the massive research and development costs and to enable long enough production runs to keep unit costs down.

[15] *l'Humanité*, 20 May 1983.

[16] See the article by Michel Tatu, 'Où sont les ''désaccords'' entre M. Marchais et M. Andropov?', *Le Monde*, 19 July 1983.

[17] The meeting, which was not widely reported, between the Conservative Minister of Defence and his French Socialist counterpart seems to have been warm and cordial.

French sales of military equipment are heavily concentrated. During the first half of 1982, some 83 per cent of arms sales were destined for the Middle East and North Africa, and 73 per cent of these sales were in the aeronautical sector. However, this concentration does cause concern and, with international competition increasing, there is a feeling that defence exports cannot continue to grow at such a rapid rate as in the past. The saturation of certain markets may well push France to accept a greater level of arms co-operation with its allies.

The French capability to intervene overseas has been well demonstrated by the deployment of troops and strike aircraft to Chad. France maintains defence agreements with a number of states in francophone Africa and has nearly 19,000 men stationed overseas. The Chad operation, together with the French commitments in the Lebanon, has stretched its intervention capacity close to its limits. Despite the efficiency with which the dispatch of forces to Chad has been conducted, the operation highlights a number of deficiencies in the French inventory: the lack of a long-range military transport aircraft and the absence of portable anti-aircraft missiles for the infantry in particular.

Prevailing continuity[18]

The Mitterrand government is intent on both strengthening the French independent deterrent and reinforcing France's commitment to its allies. The fundamental ambiguity of the French posture is to be maintained. The 'new' European dimension is largely a question of emphasis rather than of fundamental change. Whilst spokesmen are in favour of an authentic European defence system, this is seen as a remote possibility, and for the moment the only available forum is the Atlantic Alliance.

The French nuclear umbrella will not be extended to cover its neighbours —the 'enlarged sanctuary' of the Giscard era now appears as an aberration. One might better speak of 'extended deterrence', a concept arising from a growing feeling that France must play its part in the defence of Europe.

Critics often question the credibility of the French nuclear triad. The survival of the air-launched element, relying as it does upon ageing aircraft and air-to-air refuelling, is doubtful. The static ballistic missiles on the Plateau d'Albion are similarly highly vulnerable. Indeed, their role is increasingly to indicate an enemy's intentions because any aggressor wishing to attack France would have to eliminate these missile sites first, risking French strategic reprisals. The submarine-based element of the triad clearly has the greatest credibility and is the principal guarantor of France's second-strike capability. However, weaknesses remain. French boats are said to be noisy and lack the sophisticated satellite communications network available to United States submarines. The new Programme Law includes plans for a more advanced airborne communications system to complement the modernization of the strategic submarine force.

[18] 'Une continuité qui transcende les changements politiques', Hernu speaking in the National Assembly debate on the Military Programme Law, *Le Monde*, 21 May 1983.

The new Programme Law has been generally well received. However, France is still trying to cover a large range of options: the updating of its nuclear forces, the modernization of its conventional armoury, together with the maintenance of a capability to intervene overseas. Critics, including the opposition parties, point to the lack of sufficient financial means to achieve these ambitious ends. The Programme is based upon an estimated rate of inflation of 6·2 per cent in 1984 and 5 per cent on average for the subsequent years. This projection is highly optimistic. The government has promised that there will be a re-evaluation of the financial resources allotted to the Programme in 1985, and that any shortfall will be made up. However, the economic outlook is uncertain, and it is likely that spending plans for conventional forces (and the army budget in particular) may well be sacrificed to maintain and modernize the strategic panoply.

All the major political parties continue to agree on the need to retain the strategic nuclear deterrent. The Socialist Party's own position on defence matters is hard to differentiate from that of the government.[19] Though the Communists find elements of Mitterrand's policy unpalatable, PCF ministers are obliged to indulge in semantic contortions, emphasizing that whilst there may be a difference in appreciation between the PCF and the government, there is no question of Communist ministers resigning their Cabinet posts. Indeed, it would be difficult for the PCF to leave the government over a public disagreement on defence matters, since this is the very area of policy where the Party is most closely identified with Soviet positions.

Any prominent politician who dares to question the viability of the *force de frappe* is greeted by almost instant opprobrium. Michel Pinton, the Secretary-General of the opposition UDF federation, in a recent article in *Le Monde* (16 June), described the French independent deterrent as *une nouvelle ligne Maginot*. He was criticized from all sides and even his own party leaders disavowed his comments.

However, beneath the surface, a defence debate is developing, and, indeed, many questions remain to be answered. By the middle 1990s, France will possess a growing arsenal of tactical nuclear weapons that will be far in excess of anything required to administer a warning shot to an enemy. How can this capability be integrated into the traditional Gaullist doctrine of deterrence? The strength of the national consensus must not be over-estimated. A close study of opinion poll data indicates some scepticism concerning the value of the French deterrent. There are signs of the stirring of a new peace movement, independent from that inspired by the Communists. For the moment, all political parties accept the prevailing consensus. Nuclear weapons cause the least divisions within the political community. As one leading defence commentator has suggested, 'ambiguity is the key to the maintenance of the consensus on defence.'[20]

[19] The most recent Socialist Party document on defence matters is the *Declaration sur la Paix, la Sécurite et le Désarmement*, 25 May 1983.

[20] Dominique Moïsi, editor of *Politique Étrangère*, in an interview with the authors.

Air power in Central Europe

NEVILLE BROWN

As a rule, assessments of the military balance, in Europe or elsewhere, focus rather exclusively on land forces: these usually being taken to mean either the number of army divisions in the respective orders of battle or else the respective echelons of battle tanks. Tactical aviation tends to be mentioned, if at all, only as an afterthought. No matter that within Nato Europe it commands the bulk of the nuclear firepower and might well be the initial means of nuclear delivery. Nor that elsewhere the question of air space control has often given rise to political tension, not least in respect of four incidents involving the lethal interception of civil airliners: a Libyan plane by Israel in 1973 (104 dead); Air Rhodesian planes by ZAPU guerrillas in 1978 (48 dead) and 1979 (59 dead); and now a Republic of Korea plane by the Soviet Union (269 dead). No matter either that it has figured prominently in almost every military campaign of recent years. Indeed, in the two which erupted early in 1982, those in the Lebanon and the Falklands, its influence was decisive.[1]

Not that explanations for so recurrent a blind spot are hard to find. The most obvious is that, since ground troops are the elements that actually hold territory, their contribution is by definition basic. Another is that, even in simple numerical terms, the relative strengths in Central Europe have given rather less cause for anxiety in Nato circles in respect of manned aircraft than they have *à propos* of divisions of ground troops. To be more explicit, the Warsaw Pact is believed to operate 2,800 warplanes in its part of Central Europe (the German Democratic Republic, Czechoslovakia and Poland), while Nato has 1,650 in the Federal Republic and the Low Countries. The land order of battle, on the other hand, is 53 divisions for the former and 24 for the latter: a ratio of well over two to one.

Still, perhaps the main reason why the European air balance often is neglected is because it is peculiarly difficult to assess. To a steadily increasing extent, the operational prospects are determined by electronics: a sphere in which the West is generally deemed to retain an appreciable lead. Yet the future character and significance of electronic warfare (EW) are terribly uncertain, not least in regard to the interaction between the computer and the human operator. All else apart, it is impossible to test EW properly over Western Europe in peacetime because of the collateral effects of jamming and the like on air traffic control and other civil activities.

Among the other factors in the overall equation are the number and

[1] See the author's Inaugural Lecture, *Silver Wings in the Twilight* (University of Birmingham, 1983), Appendix A.

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character of the airfields and landing strips available to each side. Also, the frequency with which aircraft could depart on sorties constitutes another big though indeterminate variable. A particular complication here is that an aircraft which may barely be able to sustain a daily average of, say, one or two sorties of a given kind over a period of perhaps two or three weeks may yet be able to 'surge' to ten or twelve such missions for a day or two.

Then again, several differences which can be observed or inferred between the Nato and Warsaw Pact air arms could lead one to the conclusion that, for some years ahead at least, the sortie rates the Pact might register in a Central European war will fall well below those of Nato. These differences relate to the provision of electronic aids for nocturnal and all-weather flying; the size of the ground support staff, military and civilian; the ancillary equipment (not least flight simulators) available on base; and the pattern and intensity of peacetime flying training. Even so, a 1976 analysis by a staff member of the Arms Control and Disarmament Agency in Washington credited the Warsaw Pact with [illegible] tie rate 20 per cent superior to Nato's.[2] Perhaps, however, this ought to [illegible] in relation to other American admonitions around the time that Nat[illegible] not yet paying as much attention as was the Pact to a surge capability w[illegible] context of a short war.

Weight of air power

Be that as it may, however, it is evident that the variables, unknowns and downright imponderables in the European air balance are such as to tempt anybody either to become utterly obscurantist on the subject or else ignore it altogether. None the less, certain changes now taking place in this sphere necessitate its receiving more definitive attention, not least because of the way they could further complicate Nato's controversial plans for theatre nuclear modernization (see below). Likewise, the dialogues on arms control could be adversely affected.

The most fundamental reality to reckon with is the sheer weight of air power now available to each side. Here comparison can instructively be made with the blitzkrieg era in the Second World War: an era in which tactical aircraft served only too effectively to spearhead a mechanized attack against troops mostly lacking, like their counterparts today, prior experience of war. Admittedly, in their campaigns across the mountainous and maritime flanks of Europe (Scandinavia and the Balkans), the Germans did employ what would still be regarded as a high proportion of air power. However, in the massive overland campaigns against the Low Countries and France in 1940 and the USSR in 1941, the Luftwaffe had only 20 to 25 aeroplanes committed for every army division the Wehrmacht had deployed. The corresponding ratio within Central Europe today is *circa* 65 in Nato and *c.* 55 in the Warsaw Pact.

Besides, those figures do not tell anything like the whole story. They take no account of the huge expansion in the number of aircraft (meaning, most

[2] R. L. Fischer, Adelphi Paper No. 127, *Defending the Central Front: The Balance of Forces* (London: International Institute for Strategic Studies, 1976), p. 33.

particularly, the many hundreds of helicopters) operated by the armies themselves. Nor do they allow for the much bigger part played today by surface weapons in air defence, or the ability of hundreds of modern warplanes to sortie over the central area from bases in Britain, France, Spain and, of course, the USSR. Then there is the prospect that, during the first week or two of a warlike crisis, both sides would reinforce their air arms in the European theatre to a proportionately greater extent than they would their land forces.

Finally, one has to bear most firmly in mind the technical evolution of the aircraft themselves, as regards both size and performance. In 1944, the Royal Air Force received into squadron service its first jet-propelled interceptor: the Meteor. Its latest counterpart—a variant of the Phantom—is three times as heavy when loaded and may travel well over twice as fast. Used instead in a strike role, the Phantom can carry eight times as heavy a bombload as a Meteor could. Needless to say, too, its ordnance would prove far more destructive weight for weight.

Still, the current assemblage of air power has not developed in a vacuum. Thus taking the Soviet case, it is possible to identify two major reasons why tactical aviation has enjoyed higher priority in the allocation of resources this last decade or so. The one is that it derives from a preoccupation in military thought, since about 1965, with the offensive option in war. Now, Soviet 'doctrine, training and forces all indicate readiness for conducting a fast, short war in Europe either with a conventional shock army or with the use of theatre-wide, large-scale nuclear strikes. Primarily, the Warsaw Treaty countries are to be defended by counter-attacks.'[3]

The other is that aircraft designers in the USSR have emulated their Western counterparts in making more war planes more adaptable to a range of operational tasks. In other words, they, too, have been exploiting the added versatility afforded by greater size and engine power; the agility inherent in digital electronics; and increasing recourse to the modular interchange of major components. The Nato estimate of the number of Soviet aircraft based within Central Europe which could be designated 'multi-role', at least on a liberal definition, rose from 50 in 1970 to 700 in 1977.[4]

On the Nato side, a long influential opinion has been that aircraft could well be 'the first to offer effective resistance' to a surprise attack.[5] This has been partly in view of the evident truth that they may readily concentrate against wherever may be deemed the point of decision. Still, there is also a perception that conducting an aerial sortie on exercise is much closer to doing the same on active service than taking part in, say, an infantry battle is. Usually, this is spelt out in terms of the presumptively close correspondence of the technical

[3] *Tactical Nuclear Weapons: European Perspectives* (London: Taylor & Francis for SIPRI, 1978), p. 237.

[4] R. P. Bearman, *Soviet Air Power in Transition* (Washington: The Brookings Institution, 1978), Fig. 3-1.

[5] *NATO Tactical Air Doctrine* (Brussels: Nato, 1976), ATP-33, para. 204.

challenges and responses. However, it is not difficult to discern in the background an awareness that members of a modern 'open society' may more readily generate the motivation needed for a brutal military riposte if there is no physical contact or emotional involvement between the human operator and the human victims. The point was well though critically put, with reference to a pilot in a strike aircraft, by one contributor to the 1972 'Winter Soldier' hearings in the USA: 'The machine functions, the radar blip disappears. No village is destroyed, no humans die. For none existed.'[6]

Whatever the moral connotations, however, this perceptual gap tends to get exaggerated. Moreover, it is virtually certain that too much is made of the technical correspondences between peace and war. Planes never fly as fast and low in peacetime exercises overland as they might have to in order to survive above East Germany in time of conflict. Nor, as implied already, would the electronic environments be similar. Nor, for that matter, is it even clear that there would be just one focus of decision against which 'ubiquitous' air power could 'flexibly' concentrate.

Besides, there is an evident reluctance to recognize how vulnerable to immobilization on base, through pre-emptive enemy action, are those warplanes (i.e. the vast majority) which are dependent on long fixed runways. What is also liable to be overlooked is the wealth of historical evidence (the Falklands campaign included) to the effect that ground-to-air defences function well below par to begin with. Unfortunately, this factor may apply more strongly to the troops enduring the sudden shock of a surprise attack than it may to those geared up beforehand to participate in it.

An added complication is admitted uncertainty within Allied Command Europe (ACE) as to the initial aerial priorities. How much emphasis ought to be placed on the immediate halting of an adversary's armoured thrusts? How much ought to be accorded the gaining of air supremacy throughout the theatre, principally by attacks on adversary airfields?

Soviet air defence

But now this and other dilemmas are being accentuated by what looks very much like a drastic reorganization of Soviet air power. What may be in train, in fact, is nothing less than the abolition as a separate service of *Protivo-Vozdushnaya Oborona-Strany* (PVO-Strany): the élite force of 550,000 men and women (on current Nato estimates) responsible for the air-defence of Mother Russia. Early in 1941, PVO-Strany was made sufficiently autonomous to have direct representation on the Soviet high command; and since 1948, it has been a separate service.

A year or two ago, certain indications of a shift in the opposite direction began to present themselves. One was some interchange between PVO-Strany and the Soviet air force proper in regard to the filling of senior command posts. Another was the sharpening of the dichotomy, within PVO-Strany itself, between the command structure for interceptor aircraft and that for surface-to-

[6] P. Dickson, *The Electronic Battlefield* (London: Marion Boyars, 1977), pp. 208–9.

air missiles (SAM).[7] The inference could be that this was so as to render the former the more freely available for deployment outside the USSR or to such strategically sensitive peripheral areas as Murmansk or Sakhalin.

The current ACE assessment of developments is as follows. Since 1981, a massive reorganization of Soviet military aviation has been under way. It has involved both PVO-Strany and Soviet 'frontal aviation'—i.e. that part of the air force proper which is dedicated to the direct support of ground troops. Already the assets in question have been regrouped into just five tactical air armies: their respective headquarters being in Irkutsk, Legnica (in Poland), Moscow, Smolensk and Vennitsa. The original 24th tactical air army in the German Democratic Republic has ceased to exist as such. Nor is it at all certain that PVO-Strany as a whole will retain any distinct identity.

During this transition, the operational control of the squadrons concerned may not be as sure as it needs to be if Soviet sovereignty is to be upheld without overreaction. But the longer-term import is as follows. Almost all the military air power now stationed within Soviet borders will henceforward be regarded principally as a source of theatre reinforcement. In other words, a hope entertained by some Western analysts—namely, that PVO-Strany would continue to be dedicated, first and foremost, to the anti-aircraft defence of the Russian heartland[8]—has been destroyed. Essentially, this is because home air defence, as such, cannot reasonably continue to make such special claims now that the spearhead of strategic attack is not the manned bomber but the long-range missile.

Nor can there be much doubt that the external theatre primarily borne in mind is the European. For a quarter of a century, in fact, PVO-Strany's operational command-and-control has been closely integrated with that of the Warsaw Pact elsewhere in Eastern Europe, with only the national territory of Romania constituting anything of an exception. It is a nexus consistent with other Soviet military dispositions. More fundamentally, it accords with the centuries-old Muscovite anxiety about threats from Europe: threats philosophical as well as military.

So the 2,500 PVO-Strany interceptors must now be included with the 3,300 warplanes already in Soviet home-based 'frontal aviation': a combined fleet of nearly 6,000 aircraft mainly earmarked for crises in Central Europe. Still, little can be said about the likely rate of deployment into that theatre during a warlike emergency except that the pre-existing tactical air armies of 'frontal aviation' have always been expected to move in phase with the ground forces they were assigned to. However, that in itself implies a transfer of a mere 750 planes a month. It is virtually certain that the future movement could be a lot faster, especially in the context of loss replacement.

Not that Nato's capacity for air reinforcement across the Atlantic is negligible. The 30 United States Air Force fighters, strike, and reconnaissance

[7] *International Defence Review*, Vol. 14, September 1981, p. 1117.

[8] Richard Lawrence and Geoffrey Record, *US Force Structure in NATO* (Washington DC: The Brookings Institution, 1944), p. 44.

squadrons (i.e. some 700 planes) already there can be joined by another 65 or so within ten days. Nor should one forget that this influx might almost be doubled over, say, two or three months. In addition, two Canadian F-5 squadrons are available for transatlantic reinforcement, at an early stage.

Even so, it does look as if Nato is being presented with a new military challenge or, at least, with an old one writ larger and more firmly. So what should its response be? And how should this relate to the calls by General Bernard Rogers, Supreme Allied Commander Europe (SACEUR), for an enhanced capability for non-nuclear defence—to be derived, it is hoped, from 'our superior Western technology' and a sustained increase in defence expenditure within Nato Europe of 4 per cent per annum till 1988? What SACEUR particularly has in mind is Nato's acquiring a greater ability to strike at Warsaw Pact air bases and at ground forces assembling to follow up an initial attack.

The Western response

To date, the tendency has been to assume that these 'counter-air' and 'battlefield-interdiction' roles could best be carried out by manned aircraft. However, that response may be becoming less appropriate. For one thing, the numerical balance of available warplanes might no longer be satisfactory enough. For another, the non-nuclear tactical balance between intruding aircraft and defences geared up to receive them has become very delicate. Thus, only a marginal improvement in the technical reactiveness of SAM, anti-aircraft guns etc. might often make them far more deadly against planes transiting fast and low over target areas in the way they are obliged to these days. Conversely, the limits on aircrew responsiveness (psychological and physiological) are making it terribly difficult to cut times of overhead transit much further without forgoing human involvement in the final stages of target selection and attack.[9]

The 'stand-off' release of air-to-surface missiles is not a very attractive solution to this problem, except against targets at sea. On land, better answers (in terms of both cost and effectiveness) may be provided by ordnance depending on delivery from the Earth's surface: ground-launched cruise missiles, (GLCM), ballistic missiles, and rocket-assisted shells. One prospective development that strongly favours this trend, in fact, is the fitting of such devices with multiple warheads, each of which has a sensor that enables it to home on an individual target such as a tank. Similarly, the reconnaissance function is likely to be carried out more and more by unmanned vehicles, either airborne or else orbiting in near space. In short, an extensive displacement of the manned monoplane, which has already progressed a long way in the strategic nuclear environment, is beginning in the theatre non-nuclear one.

Already, indeed, many specific pointers can be seen. For instance, it would be possible to fit a single Pershing 2 missile with 'up to 76 small Earth Penetrator warheads, each weighing 18lbs complete with 3·5lbs of high-explosive.

[9] See the author's 'The changing face of non-nuclear war', *Survival*, Vol. XXIV, No. 5, September/October 1982, pp. 211–19.

Capable of breaking through up to two feet of concrete, these would be suitable for anti-runway operations; and studies have suggested that a force of 100 missiles could cut the Warsaw Pact sortie rate by up to 35 per cent.'[10] Then again, there is active interest in the use of non-nuclear GLCM to dominate the key maritime 'choke points' from the Skagerrak to Hokkaido.[11] Correspondingly, a consensus is growing among Nato's military to the effect that several thousand GLCM plus very many ballistic missiles may eventually be required. Indeed, one US analyst has suggested a Nato need for 100,000 cruise missiles of one kind or another!

All of which necessitates major rethinking about the size and composition of Nato's air forces. At the same time, however, it sheds a disconcerting light on the 1979 decision by Nato to endorse US deployment in Central Europe, and with nuclear warheads, of 464 Tomahawk GCLM and 108 Pershing 2 ballistic missiles: this deployment to begin in 1983, unless there was an arms control agreement involving collateral limitations on the Soviet Union's introduction of its SS-20 missiles. For the least that must be said is that those weapons thus reserved for a 'Eurostrategic' nuclear role will need, in due course, to be most explicitly distinguished from what may be identical systems, American and otherwise, fitted with non-nuclear warheads. Otherwise, arms control will become virtually impossible to negotiate in this sphere for managerial reasons alone.

Perhaps, indeed, this is a neglected argument in favour of placing the new Eurostrategic systems under the 'dual-key' control of two parties: the host country and the United States. Alternatively, they may have to be placed within a distinct command structure, answerable only to SACEUR and his political superiors. At all events, this issue can no longer be allowed to go by default.

What, then, are the wider implications of these impending changes for the stability of the European 'balance of terror'? The answer cannot be entirely reassuring. Thus the introduction into this military situation of many novel features and many extra imponderables is bound to complicate the arms control dialogue in all its aspects. Likewise, it is bound to make it harder for Nato's politicians to give their military clear guidelines either in advance of or during a warlike crisis. On the other hand, all the operational uncertainties may strengthen deterrence against an adversary probably not disposed, in any case, to resort to aggressive action lightly.

Furthermore, the debate about future force postures may be more widely cast than before, if only because expert judgements will be far less assured. For on land and sea, as well as in aerospace, we are on the verge of the biggest revolution in the art of war since the advent of the internal combustion engine. Electronics is at the heart of it and this time will be the dominant factor in change.

[10] *Flight International*, Vol. 120, No. 3770, 8 August 1981, p. 434.

[11] 'Anti-ship missiles studied to block sea chokepoints', *Aviation Week and Space Technology*, Vol. 118, No. 9, 28 February 1983, pp. 24–8.

The crisis in Central America: President Reagan's options

GORDON CONNELL-SMITH

WIDESPREAD concern has been expressed, both within and outside the United States, over President Reagan's policy in Central America. Within the United States, there are fears of 'another Vietnam': that the current escalation of involvement inevitably will lead to American troops being engaged in the fighting in the region. The President's protestations that this will not happen have not dispelled such fears, for his stance in the crisis is regarded by his critics as bellicose. Mr Reagan is also criticized, especially abroad, for insisting upon treating as a Cold War issue—a threat from 'international Communism'—what the critics declare is essentially a matter of deep-seated economic and social ills.[1] He has been accused of snubbing Latin American efforts to promote a negotiated settlement; and there are many misgivings over his support of governments whose records on human rights are appalling.

There can be no doubt of President Reagan's resolve to defend United States interests in the face of what he perceives as a grave threat from his country's enemies. He firmly believes that his predecessor neglected these interests, above all the security of the United States in 'its own backyard'. He was, it will be remembered, a vociferous opponent of concessions to Panama over the Canal, and made the issue an important feature of his campaign for the Republican presidential nomination in 1976. Indeed, Reagan was one of those politicians who, quite wrongly, declared the Panama Canal Zone to be United States sovereign territory. His most influential advisers on Latin America are like-minded in their approach to the region. The best-known of these, who could be described as the ideologue of President Reagan's policy, is Mrs Jeane Kirkpatrick, United States chief representative at the United Nations. Mrs Kirkpatrick apparently came to Mr Reagan's notice as a result of an article she wrote justifying United States support of friendly 'traditional autocracies' in the struggle against hostile 'totalitarian regimes'. In it she asserted 'the *facts* (her italics) that traditional authoritarian governments are less repressive than revolutionary autocracies, that they are more susceptible of liberalization, and that they are more compatible with US interests.'[2] In Mrs Kirkpatrick's judgement, United States attempts to 'democratize' friendly autocracies only weakened

[1] See, for instance, V. Bulmer-Thomas, 'Crisis in Central America: economic roots and historical dimensions', *The World Today*, September 1983.

[2] Jeane Kirkpatrick, 'Dictatorships and double standards', *Commentary*, vol. 68, no. 5 (November 1979), p. 44.

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them and paved the way for unfriendly left-wing dictatorships. She accused President Carter of having done this in the case of Somoza, the dictator of Nicaragua, who was overthrown in 1979 and replaced by the Sandinistas.[3]

But leaving aside the particular views of Ronald Reagan and his most influential advisers, and the wisdom or otherwise of specific actions he has taken since becoming President in 1981, the general direction of his Latin American policy, and the perceptions upon which it is based, do not represent a new departure. On the contrary, they are consonant with and, indeed, predominantly shaped by, factors and events which lie in the past, both recent and more remote. This article will examine such factors and events, and try to show how they circumscribe the options open to President Reagan in formulating and executing his policy in the Central American crisis confronting him.

Traditional policy

The constant factor which historically has shaped its Latin American policy is that the United States possesses weak neighbours who, of themselves, can neither threaten its security nor effectively challenge its inevitable hegemony over them. Such a threat or challenge can arise only through 'extra-continental intervention': that is to say, from non-American powers penetrating Latin America. Ever since the countries of the region became independent, United States policy towards them has focused upon preventing this—as the Monroe Doctrine, formulated in 1823, proclaims. The United States has endeavoured to convince the Latin Americans that they, too, would be threatened by extra-continental intervention: that the two Americas share a community of interests. The idea of 'Pan-Americanism' lies behind the present Organization of American States (OAS). But Pan-Americanism has never enjoyed wide support in Latin America, where the Monroe Doctrine has long been deeply resented because of its association with intervention by the United States.

For it was a logical extension of the Doctrine that the United States should itself intervene in Latin America when its leaders decided this to be necessary in order to forestall what they described as 'foreign' intervention. At the same time, it became an almost automatic reaction in Washington to regard any serious threat to United States interests in Latin America as resulting from the machinations of some non-American power. In the early decades of the twentieth century, there were frequent United States armed interventions in the Central American-Caribbean region, sometimes leading to lengthy occupations. From them there generally emerged what Mrs Kirkpatrick would call 'friendly autocracies': dictators willing to serve the interests of the United States—and their own—rather than those of the people over whom they ruled.

One of the most notorious of these dictators was Anastasio Somoza, founder of the 'dynasty' which effectively ruled Nicaragua for over forty years, and father of the dictator overthrown in 1979. The intervention which eventually led to the elder Somoza's seizure of power was particularly significant at the time, and has relevance for the contemporary situation in Central America.

[3] The Sandinistas took their name from the legendary hero, Sandino. See below.

The United States intervened in the civil war which broke out in Nicaragua in 1926 to prevent the victory of the side favoured by Mexico, whose relations with Washington had been strained ever since its revolution. United States marines eventually found themselves fighting Nicaraguan guerrillas led by one Augusto César Sandino, labelled in Washington a 'bandit', but widely regarded in Latin America as a hero. Sandino eluded the marines, but was later murdered—almost certainly on the orders of Somoza, then commander of the United States-trained National Guard. The prolonged and escalating involvement of the marines in Nicaragua brought mounting criticism in the United States, where a State Department memorandum entitled 'Bolshevist aims and policies in Mexico and Latin America' was greeted with considerable scepticism. It caused great indignation in Latin America, which was an important factor in persuading President Franklin Roosevelt to accept 'the principle of non-intervention' as the core of the 'Good Neighbour' policy towards the region which he inaugurated in 1933. But Roosevelt's 'Good Neighbourhood' included such co-operative dictators as Somoza in Nicaragua, Batista in Cuba and Trujillo in the Dominican Republic.

Thus there is nothing new in Mrs Kirkpatrick's thesis: it is a contemporary rationale of traditional United States Latin American policy.[4]

Cold War implications

It is within this historical framework that United States policy towards Latin America has developed since the onset of the Cold War. The tradition of perceiving serious threats to United States interests in the region as emanating from extra-continental intervention encouraged Washington to see these now as the work of 'international Communism'. Thus, in 1954, Guatemala was declared to be 'a Communist beachhead' in the western hemisphere; and the Central Intelligence Agency (CIA) organized the overthrow of its President, replacing him with a candidate chosen by the United States. President Eisenhower subsequently asserted that the Guatemalan people had risen against Communism, and hailed this as a significant victory in the Cold War. In the event, it marked the end of a social reform programme and the beginning of a long period of repression and violence in Guatemala from which the people are still suffering.

The Cuban revolution posed a far more serious challenge. Fidel Castro's eventual alignment of his country with the Soviet Union created the very situation which historically it had been the principal objective of United States Latin American policy to prevent. Cuba's detachment from the American sphere of influence to become part of the Soviet system was the clearest possible violation of the Monroe Doctrine. United States leaders could not contemplate the permanence of the Cuban revolutionary government: their position was that 'Communism is not negotiable in this hemisphere'. But

[4] In principle, the United States would like to have democratic governments, sharing its values—and friendly to its interests—in Latin America. In practice, the most co-operative governments generally have been right-wing dictatorships.

an attempt by the CIA to repeat, through the Bay of Pigs invasion in 1961, its success in Guatemala seven years earlier was an embarrassing failure; and Castro even emerged from the missile crisis of 1962 more firmly entrenched in power than before. Therefore, United States policy, for the time being, was to prevent the spread of 'Castroism', and, through an economic embargo, to increase Cuba's dependence on the Soviet Union in order to point up its client status. There appears to have been no question of encouraging Castro to emulate Tito of Yugoslavia in his relations with Moscow. While still very far from being reconciled to the existence of a 'Communist base' a mere ninety miles from its shores, the United States was determined not to allow a 'second Cuba' to be established in Latin America. Thus, when civil war broke out in the Dominican Republic in 1965, President Johnson despatched United States forces to that country to ensure there would not be a Communist take-over of its government.

Meanwhile, there had been an important development which has far-reaching implications for United States Latin American policy, and particular relevance in evaluating President Reagan's current options: the launching, and already (by 1965) evident failure, of the Alliance for Progress.

The Alliance, inaugurated by President Kennedy in 1961, was an ambitious programme for the economic and social development of Latin America, including extensive reforms and the strengthening of democratic institutions. But it was basically an anti-Castro initiative, and this rendered impossible the fulfilment of the programme. For those Latin American governments most firmly supporting United States policies against Castro almost invariably were the least inclined to implement the political and social reforms upon which the success of the Alliance depended. Not only was there widespread disappointment with the achievements of the Alliance for Progress in the economic and social fields, but democracy in Latin America actually was weakened. The early 1960s witnessed a rash of military coups, the most significant occurring in Brazil in 1964. It is ominous that the United States warmly welcomed the overthrow of the Brazilian President, who was regarded in Washington as unsound on the Communist issue. There is ample evidence that the Brazilian military had been encouraged to remove President Goulart. The experience of the Alliance for Progress demonstrates the incompatibility of an anti-Communist policy, which strengthens right-wing authoritarian governments, with one of encouraging reforms and democracy in Latin America. Moreover, disappointment with the Alliance was an important factor in a growing self-identification of the Latin American countries with the Third World, and a parallel weakening of the concept of a special relationship with the United States.

By now the Vietnam War was coming to overshadow United States foreign and, eventually, domestic politics. Latin America became less important, and President Nixon pursued a 'low profile' policy towards the region. But it was during his presidency that the United States experienced another shock in Latin America. In September 1970, Salvador Allende, an avowed Marxist, was elected President of Chile at the head of a left-wing coalition. After failing to

prevent Allende's election, the Nixon Administration weakened his position through international economic and financial pressures, as well as covert operations within Chile. Finally, as in the case of Brazil earlier, the military overthrew the President. But the Chilean coup, in 1973, was violent—involving Allende's death during the fighting—and the new government embarked upon a policy of brutal repression, causing world-wide condemnation and helping to make human rights an important international issue. Information about the role of the CIA in Chile, and its activities in other countries (which included bizarre projects for disposing of Fidel Castro), was revealed in Congressional Hearings in the wake of the Watergate scandal in Washington.

Setbacks under Carter and Reagan

President Carter's Latin American policy was, to some extent, a reaction to these events. Carter made the promotion of human rights a major objective, arousing concern and resentment among some of Washington's main allies in the region. But his most significant act was the conclusion of treaties with Panama providing for the eventual relinquishment of United States control of the Canal:[5] an act, as we have noted, strongly opposed by Ronald Reagan. Moreover, steps were taken towards normalizing relations with Cuba, 'interests sections' being established in friendly embassies in the two countries. But Mr Carter's efforts in the field of human rights did not achieve a great deal, and the year 1979 brought serious set-backs to his Latin American policy: the alleged discovery of a Soviet combat brigade in Cuba, the aftermath of the overthrow of President Somoza in Nicaragua, and a left-wing coup in the small Caribbean island of Grenada.[6] The case of Nicaragua was particularly damaging to Carter. His administration joined with a majority in the OAS calling for Somoza's resignation, but it was unable to secure a new, 'moderate' Nicaraguan government acceptable to the United States. The triumph of the Sandinistas gave encouragement—and soon brought more active support—to guerrillas fighting against repressive governments in El Salvador and Guatemala. It was the former which now became the focus of international concern and a prominent issue in the United States presidential election campaign of 1980. Meanwhile, the Soviet invasion of Afghanistan in December 1979 had worsened relations between the United States and Russia. During the election campaign, Ronald Reagan, now the Republican candidate, strongly denounced President Carter's Latin American policy, and even suggested a blockade of Cuba in retaliation for the invasion of Afghanistan.

When Mr Reagan took office as President in January 1981, there could be no doubt that United States power and influence in Latin America had declined. Of this, the mere existence of governments such as those of Cuba, Grenada and Nicaragua within its traditional sphere of influence bore ample

[5] For background, see Hans G. Kausch, 'The 1977 Panama Canal Treaties: beginning of a new era?', *The World Today*, November 1978.

[6] George C. Abbott, 'Grenada: maverick or pace-maker in the West Indies?', *ibid.*, April 1980.

testimony. How far these governments could be regarded as threats to the security of the United States was—and remains—a matter of debate.[7] In the eyes of President Reagan and his chief advisers, the three countries already constituted bases from which the Soviet Union was engaged in expanding its military power in the western hemisphere. In a second article, published in the month that Reagan became President, Mrs Kirkpatrick declared that the deterioration of the United States position in the hemisphere 'threatens now to confront this country with the unprecedented need to defend itself against a ring of Soviet bases on and around our southern and eastern borders.'[8] Evidently new, more determined measures were needed. In addition to national security, United States prestige was at stake. The Soviet Union could not be allowed further victories in the American sphere of influence.

Mr Reagan's first steps included more aid and military advisers for the government of El Salvador, and economic measures against Nicaragua. The Sandinista government was denounced as providing the main channel through which Cuban and Soviet arms were being supplied to the guerrillas in El Salvador. Nicaragua's neighbour, Honduras, became the focal point of Reagan's military strategy in Central America. The United States furnished increasing military aid to the Honduran government and secured base facilities from it. More ominously, the CIA organized, on Honduran soil, an army of Nicaraguan counter-revolutionaries ('Contras'), among whom former members of Somoza's National Guard were prominent. These measures were criticized in the United States Congress on various grounds. There were fears of an escalation of military involvement in Central America comparable with what had happened in Vietnam; concern over the record on human rights of the Salvadoran government; and grave misgivings over the activities of the CIA, which Congress sought means of curbing. Some critics felt that the Reagan Administration exaggerated the Communist threat, and that the situation in Central America called for more democratic government, economic aid and social reforms rather than an increasing military commitment. In response to these criticisms—which threatened the supply of funds to support its policy—the Administration pressed the Salvadoran government to improve its performance on human rights, and insisted that the CIA was concerned only with preventing the flow of arms to El Salvador. More strenuous efforts were made, through speeches and published policy statements, to demonstrate the extent of Cuban and Soviet military activities in the region; and a programme of economic aid for the countries of the 'Caribbean Basin' was proposed.

In addition to scepticism in the United States Congress, President Reagan has found only limited support for his policy among the countries of Latin

[7] In the case of Grenada, for example, President Reagan has expressed his concern over the military implications of a new international airport being constructed with Cuban and Soviet assistance. The Grenadan government insists that it is a civilian project necessary for the country's economic development.

[8] Jeane Kirkpatrick, 'US security and Latin America', *Commentary*, vol. 71, no. 1 (January 1981), p. 29.

America: which makes recourse to the OAS an unattractive option.[9] Mexico, which Mr Reagan sees as particularly threatened by the expansion of Communism in Central America, has been his most significant critic. But Mexico has always been the least supportive of United States policy towards revolutionary Cuba. With Colombia, Panama and Venezuela, it has formed the so-called 'Contadora group'[10] calling—to Reagan's embarrassment—for the withdrawal of all foreign forces from the region. The group would like the civil war in El Salvador to be dealt with on a regional rather than a Cold War basis.

Mr Reagan's efforts to disarm his critics have had little success. His Caribbean Basin initiative,[11] announced in February 1982, has aroused enthusiasm neither in the region nor in the United States Congress. Its all too obvious link with the President's anti-Communist policy is reminiscent of Kennedy's Alliance for Progress. The election in El Salvador in the following March, which was meant to produce a more acceptable government, failed to do so. In April 1983 Reagan appointed a special envoy, Richard Stone, to tour the region and explore the possibilities of a peaceful settlement in El Salvador. In the following July, he appointed a bi-partisan commission under the former Secretary of State, Henry Kissinger, to examine long-term policies towards Central America. The President's critics see both these initiatives as moves to mute criticisms of his policy rather than serious attempts to find a peaceful settlement. But they have broadened his options.

The military options

In the late summer of 1983, the greatest emphasis is upon the military options. Substantial United States forces are currently engaged in large-scale air, land and sea exercises in Honduras and off the shores of Central America, which are scheduled to extend over several months. These could lead to a naval quarantine aimed at preventing Communist supplies from reaching the guerrillas in El Salvador. Perhaps more significantly, the increased United States military presence in Honduras provides more backing for the Contras operating against the Nicaraguan government. This accords with the main thrust of Reagan's Central American policy: to remove the immediate threat from Nicaragua (or, rather, from Cuba and the Soviet Union through that country), which could best be accomplished by overthrowing the Sandinista government. It is ominous that, in a speech to a joint session of Congress on 27 April 1983, President Reagan declared 'We do not seek its overthrow . . . [but] . . . We should not—and we will not—protect the Nicaraguan government from the anger of its own people.'[12] It has been noted that President Eisenhower publicly described his own (CIA-organized) overthrow of the Guatemalan government in 1954 as the work of the Guatemalan people. If the United States could

[9] From the Guatemala affair of 1954 onwards, the United States seldom has been able to secure effective support within the OAS for its anti-Communist policies.

[10] Named after the island where it held its first meeting in January 1983

[11] See Ramesh Ramsaran, 'The US Caribbean Basin Initiative', *The World Today*, November 1982.

[12] Quoted in *Latin America Weekly Report* (London), 6 May 1983, p. 2.

cut off external assistance to Nicaragua, its increased support of the Contras—whose havens in Honduras its troops would be safeguarding—might be decisive. Should Nicaragua be provoked into hostilities with Honduras, the United States could then come to the latter's aid against Sandinista 'aggression'.[13] With the removal of the Nicaraguan threat, and a notable victory over the Communists achieved, longer-term options could be explored. This 'scenario' may reasonably be constructed from Reagan's current measures and stance, though other factors and events may deter him from pursuing a course which clearly he places high among his options.

Reagan's critics regard the present emphasis on military options as both misguided and very dangerous. They argue that his policy is based upon a simplistic view of the situation in the Central American-Caribbean region. A more sophisticated approach, they say, would involve coming to terms with 'national revolution' in Latin America instead of driving the revolutionaries towards Marxism-Leninism and the Soviet Union; normalizing relations with Cuba and lessening its dependence upon the Russians; and seeking a dialogue with left-wing groups in other Latin American countries rather than trying to exclude them from the political process. Critics declare unrealistic the idea that once 'Communist expansion' in the region is halted, the guerrillas will be defeated and democratic governments and reforms will follow upon their defeat. They can point to the condition of Guatemala nearly three decades after the destruction of an alleged 'Communist beachhead'.

But the policies advocated by these critics—whatever their feasibility—would necessitate a dramatic reversal of traditional United States policy towards Latin America as well as of particular policies developed since the Cuban revolution. For President Reagan's policy accords with both. Like his predecessors, Reagan believes that the Central American- Caribbean region is Washington's backyard and must be kept secure; and that Fidel Castro's Cuba represents a Soviet threat to it which must be resisted. Nor is there anything new in his measures: support of right-wing dictators, CIA subversion of a government regarded as hostile to the United States and the display of United States military strength in the region. The extent to which these measures can effectively be employed in the current situation is, of course, open to question. But any fundamental change of policy, as distinct from prudent tactical adjustments to developing circumstances, would have to be a long-term process.

Politics, however, concern the short term, and a presidential election year is approaching. Whether or not he decides to stand again, Ronald Reagan would not want to go down in history as the President who involved the United States in a 'second Vietnam'.[14] But almost certainly, he is more concerned at the moment not to be the one who 'lost' Central America.

[13] President Reagan could also give increased support to the anti-Sandinista forces operating from Costa Rica.

[14] Robert Harvey, 'Central America: a potential Vietnam?', *The World Today*, July-August 1982.

US foreign policy at sea: national security on the seabed

RICHARD J. PAYNE

PRESIDENT Reagan's refusal to sign the Law of the Sea treaty[1] raises some fundamental questions about strategies for securing US security interests not only on the seabed but also in relation to other sea law issues. Previous American presidents have been as concerned as Reagan about protecting American firms with interests in seabed mining from the excessive control of an international seabed Authority. They were equally reluctant to transfer American technology to a bureaucracy dominated by the Third World that would determine the conditions under which US-based firms would have access to seabed minerals, particularly manganese nodules. Unlike Reagan, they believed that a broader perspective and compromise with the Third World on law of the seabed issues was more advantageous to the United States than a narrow focus on the negative aspects of seabed mining.

Access to seabed minerals must be weighed against considerations such as: ability of the United States to influence mining companies with substantial investments in land-based mines; the impact of mining on fragile Third World economies and the political ramifications; the promotion of international trade; other law of the sea issues (fishing, navigation, petroleum resources and scientific research); and the importance of agreeing to a treaty that is, despite its problems, a significant movement towards the creation of a global institution capable of fostering greater world order. While refusal to sign the treaty is not against international law, excessive preoccupation with the narrow issue of companies and seabed mining can, in the long run, be detrimental to efforts to obtain compliance with international law and erode opportunities for world order upon which both seabed mining and US security are ultimately dependent.

At the heart of Reagan's objections to the Sea Law treaty is the belief that access to seabed mineral resources is an important component of US security and that the activities of multinational companies are consistent with US interests. This view rests on the assumption that deprivation of strategic raw materials, or the threat of it, by another government, an international bureaucracy or a non-state actor is just as dangerous as a military attack. Such threats are not easily resolved by traditional military methods.

Multinational companies and national security

The Arab oil embargo of 1973 demonstrated the changing nature of power

[1] For background, see Chandra Kumar, 'UNCLOS at Geneva: crisis averted', *The World Today*, October 1981.

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He wishes to thank Professors F. Roberts and Ronald Pope for their useful comments.

in an interdependent world, and subsequently led to a heightened interest in access to mineral resources, especially those on the international seabed. Reagan, like past American presidents, seems to assume that mining companies will protect US security interests. However, while multinational firms undoubtedly play a major role in facilitating America's access to resources, American foreign policy goals are, of course, far broader than its economic concerns. Nevertheless, one reason for Reagan's refusal to sign the treaty is the lack of favourable guarantees for US mining companies. Although there are other complex reasons for Reagan's position, it appears to rest on the notion that what is good for American-based multinational companies (MNCs) is beneficial to the United States. This perception is partly influenced by Reagan's free-enterprise philosophy as well as by the fact that international expansion of American business and the emergence of the United States as a global power occurred simultaneously. Multinational companies have emerged as essentially independent actors in world politics and economics. Because managers of MNCs are globalists interested in maximizing profits from a transnational corporate perspective, they are likely to have conflicts of interests with equally calculating national leaders whose rationality is bounded by national frontiers.[2] Indeed, much of the misunderstanding of and hostility towards the multinationals is partly due to the fact that they are more in tune with contemporary global economic and political realities than the nation-states which are primarily engaged in an anachronistic nationalism.

The 1973 Arab-Israeli war, the 1975 Angolan conflict and the recent disagreements between Washington and its Nato allies over technology for the construction of the Soviet pipeline all demonstrate the difficulties involved in controlling multinational companies and divergence of interests between them and the so-called home countries. During the Arab-Israeli war, Exxon complied with Saudi demands to cut oil supplies to American military forces. Aramco, owned principally by Exxon, Mobil, Standard Oil of California, and Texaco, undertook an extensive propaganda and lobbying campaign designed to decrease US support of Israel. In Angola, Gulf Oil supported the MPLA by paying fees for its Cabinda oil operations while the United States aided the FNLA and UNITA against the MPLA. Similarly, Dresser Industries of Dallas was caught between US anti-pipeline sanctions and an order by the French government to deliver pipeline equipment. The French subsidiary complied with the French government's request, despite Reagan's admonitions. These cases demonstrate that MNCs conduct their own foreign policy, which may or may not be in the interest of the United States.

Multinational companies have proliferated in response to demands of technological societies and, in the process, have also created needs which help to consolidate their position in the global society. For example, in the 1960s

[2] Joseph S. Nye, 'Two Views of World Order', in George W. Ball (ed.), *Global Companies: The Political Economy of World Business* (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1975), p. 165. See C. Fred Bergsten *et al.*, *American Multinationals and American Interests* (Washington, D.C.: The Brookings Institution, 1978).

and early 1970s, General Electric negotiated agreements with European and Japanese firms to provide the equipment and technical knowledge for constructing sophisticated gas turbines and compressors for pipelines. As an observer notes:

> 'For GE the agreements were a shrewd piece of corporate diplomacy. They enabled the giant US electrical company to head off possible competition in the turbine business from foreign firms, to take advantage of cheaper labor overseas and, indirectly, to obtain access to goverment subsidies and financing abroad.'[3]

These agreements undoubtedly benefited General Electric. However, they also demonstrate the web of international politics and economics in which Reagan's foreign policy is ensnared. More importantly, such agreements render obsolete the assumption that MNCs are reliable instruments of American security in the traditional sense. Nevertheless, the Reagan Administration assumes that MNCs interests on the seabed coincide with US security. On the other hand, Reagan's consideration of seabed mining as insurance against countries strategically withholding mineral supplies or further escalating prices is a reasonable and valid position, regardless of US reliance on MNCs. Despite that fact, the possibility of a resource war is exaggerated by the Reagan Administration. It overlooks realities of interdependence and severe economic problems confronting mineral suppliers. It is ironic that the Reagan Administration's opposition to the Law of the Sea treaty is based on dissatisfaction with seabed mining provisions, since seabed mining is probably the least important of all the issues in the short run.

Objections to the Law of the Sea treaty

On 30 April 1982, the United Nations adopted a comprehensive Law of the Sea treaty, with 130 countries voting for it, four against (the United States, Israel, Turkey and Venezuela) and seventeen abstaining. On 10 December 1982, the treaty was signed by 140 states in Jamaica. Its provisions establish a 12-mile territorial limit, a 200-mile economic zone for coastal states, regulations for shipping, navigational rights for naval forces, scientific research and environmental protection. The US agrees with these key elements of the treaty, but rejects the entire package because of the Reagan Administration's view that US firms are not adequately protected. Specific objections are that the treaty: (i) impedes the exploitation of manganese nodules and sets production limits; (ii) creates a decision-making process unfavourable to the United States; (iii) provides for the transfer of mining technology and benefits to developing countries and national liberation groups; and (iv) could be amended without US approval.

The Administration's refusal to sign will discourage companies from investing substantial sums of money and place the US in a dubious legal position

[3] Dan Morgan, 'Multinational firms: crossing borders under ambiguous indentities', *The Washington Post*, 7 September 1982, p. A9.

in relation to the treaty. It also contributes to the deterioration of respect for international law and order at a time when such order is crucial to America's role as a global power. By insisting on an ideological confrontation rather than compromise to win practical improvements for American investments, Reagan could inflict serious damage on both the narrow immediate interests and the broad, long-term US objectives.

Reagan's uncompromising defence of principle prevented the United States from using the opportunity to convert the treaty into a better vehicle for commercial operators. According to Leigh S. Ratiner, Deputy Chairman of the US Delegation to the final negotiating session of the third United Nations Conference on the Law of the Sea (UNCLOS III) and senior adviser and negotiator on seabed mining, energy and national security issues:

> 'Paralyzed by the rigidity of its instructions, the American Delegation had no choice but to play into the hands of the Third World strategy and negotiate the issue which the developing countries insisted be taken up first—the recognition of rights for mining companies who had already made investments in the seabed—"grandfather rights".'[4]

Essentially, Third World strategy was designed to satisfy the demands of Japan and Western Europe in order to influence them to support the treaty and to pacify the US mining companies whose pressure on the US government would ultimately be reduced.

Subsequent negotiations resulted in a final Conference Resolution which, while partially satisfactory to America, met the most fundamental objective held by its allies. The Grandfather Clause, the central concern of the Conference Resolution, provides that companies which have invested in seabed mining technology will be granted commercial mining licences almost automatically after the treaty becomes effective. The participants would be four mining consortia, which include US companies, as well as enterprises sponsored by the governments of Japan, France, the USSR and India. Because the treaty, which becomes effective in 1988, limits seabed nickel production to approximately 60 per cent of the growth of the world nickel demand, pioneer groups will have a virtual monopoly on seabed mining for at least twenty years.

While some consortia support the treaty, others are opposed to it for reasons identical to those of the Administration. For example, Kennecott Corporation, controlled by British Petroleum, is the leader of a consortium which is willing to operate under the current terms of the treaty, whereas US Steel Corp. and Lockheed Systems Company, which leads other consortia, are adamantly opposed to the treaty.[5] They reject the provisions mandating the sale of their technology to the International Seabed Authority and complain that America would exercise insignificant influence in the 36-member Council of the Inter-

[4] Leigh S. Ratiner, 'The law of the sea: a crossroads for American foreign policy', *Foreign Affairs*, Vol. 60, No. 5 (Summer 1982), p. 1014.

[5] 'The stakes in signing a Law of the Sea treaty', *International Business Week*, 10 May 1982, p. 45.

national Seabed Authority. The seabed bureacratic structure will allow Third World countries to influence policies of the international organization. The basic question, however, is whether separate arrangements outside the Sea Treaty can adequately protect or encourage US investments in seabed mining and simultaneously safeguard broader national security interests.

Although some US-based multinational companies oppose the treaty, they realize that if the US government refuses to sign it, they will not be eligible for commercial mining while international competitors will have unimpeded access to seabed wealth. In the light of the limited number of sites, companies based in countries which sign the treaty will have an enviable monopoly on seabed minerals. To improve their own bargaining position, US-based MNCs might utilize foreign flags, thus depriving America of meaningful control of MNCs and direct access to resources considered vital to national security. However, the minerals would be in the world market, which would benefit the US.

Alternative US proposals

To circumvent the consequences that would flow from the US failure to sign the treaty and the adoption of foreign flags by multinational companies, President Reagan decided to convince Western Europe and Japan to support a 'mini-treaty', separate from that concluded by the United Nations. This is based on the assumption that seabed mining can take place without Third World approval—if the industrialized countries agree to co-operate. US allies have not demonstrated any eagerness to jump ship and join, nor have they, with the exception of France, signed the treaty.

Apart from the fact that the multiplicity of their global interests far outweighs benefits to be derived from seabed mining, it is obvious that obeying international law is ultimately more beneficial to the security of industrialized countries. Furthermore, the President's own review confirmed that no American firm would risk the requisite $1·5 billion for each venture under domestic legislation and no major financial institution would lend money to a seabed venture sanctioned only by mini-treaty.[6] The Reagan Administration's position not only jeopardizes seabed mining, but also renders uncertain US rights in relation to other activities covered by the treaty. Reagan's argument, however, is that the United States can enjoy the other rights, such as fishing, navigation and petroleum exploitation, without signing the treaty because of historic practice or customary law.

Opposition to the seabed mining provisions of the treaty is based on the assumption that the United States is dangerously dependent on the constituent metals of manganese nodules—copper-cobalt, nickel and manganese —and should become self-reliant. America imports approximately 98 per cent of its nickel and manganese, 90 per cent of its cobalt and 15 per cent of its copper. In the light of OPEC's initial success and Third World ideology which favours cartelization, concern about US dependence on Third World supplies of minerals is understandable. However, failure to sign the treaty is likely

[6] 'Scuttling the Sea Treaty', *The Washington Post* Editorial, July 1982, p A 18.

to inflict serious damage on US national security. The Administration should review its decision, taking the following into consideration.

An analysis of the US position requires a close evaluation of each major mineral (level of dependence, alternative sources, substitutes etc.). Zaire alone accounts for 75 per cent of US imports of cobalt, one of the most important minerals found in manganese nodules. Such heavy dependence on one country might be highly risky. The United States, however, has substantial reserves. It also is very dependent on foreign sources of nickel, but because sources are so varied this dependency does not seem to pose an immediate threat to US security interests.

A careful review of all the metals listed above shows no current critical shortages. The vast majority of producing countries are extremely poor, debt-ridden and very dependent on mineral exports. It is, therefore, in their interest as well as in the interest of the United States that they continue to export them. This would aid their political stability and strengthen their purchasing power. Since the economic security of the United States is tied to global economic conditions, and the Third World is the fastest growing market for US exports, especially food and manufactured products, America cannot afford to sacrifice broader long-term security interests for seabed mining.

Access to resources and stability of prices are extremely important to the economic stability in the United States, a fact made obvious by OPEC's actions. However, in the light of the relatively low prices and numerous producers of minerals concerned, one may argue that cartels similar to OPEC probably will not emerge in the near future.[7] Producers need the revenues from exports more than the United States needs the minerals, and there is relatively little risk of their organizing sufficiently to withhold supplies effectively.

On the other hand, seabed exploitation itself raises the prospect of cartelization. Due to the cost per mine site (estimated at $1·5 to $2 billion), companies of different nationalities (American, British, German, French and Japanese) have formed mining consortia. Although the United States is closely allied with these countries, this does not mean that their interests will remain the same as far as access to minerals is concerned. Multinational ownership can be beneficial to the United States if the various countries can develop a common approach in dealing with the deep-sea MNCs. But if the countries should be reduced to economic warfare, there is no guarantee that the US-based companies in the consortia will ally themselves with their home country.

Seabed mining may actually hurt the US economy if seabed production costs are lower outside the United States due to the highly mechanized operations, lower transport costs and wages. US production of copper would decrease and the power of MNCs versus organized labour would be enhanced. On the other hand, if the processing of nodules is done within the United States, new jobs will be created, and government will receive additional tax revenues.

[7] See Raymond G. Wells 'TINPEC: in OPEC's footsteps?', *The World Today*, July–August 1983.

Developed countries have a continuing interest in the political viability and economic stability of Third World countries. Depriving Zambia and Zaire, for example, of copper and cobalt revenues could seriously undermine those countries, encourage external intervention and thus threaten US interests in Southern Africa. Such countries also promise continuing trade and investment possibilities.

Although it would appear that US national security is safeguarded by prompt seabed mineral production, when one examines the issue closely, it seems that MNCs may be exaggerating the threat from the Third World. In stressing the importance of maximizing leverage vis-à-vis developing countries, MNCs are emphasizing manganese nodule exploitation to the detriment of other American interests, such as scientific research, prevention of pollution at sea, free passage through straits and, in general, benefits from a comprehensive law of the sea treaty.

Some recommendations

Rather than engaging in an ideological debate, the Reagan Administration should join the international community by signing the Law of the Sea treaty. Instead of focusing on some apparent negative features of bureaucratic arrangements for the seabed, the United States should see seabed exploitation as presenting an outstanding and rare opportunity for increased transnational co-operation, efficient allocation of scarce resources and added protection of US and international security through the building of world order and adherence to international law.

Despite some convergence of interests, the past and present behaviour of multinational companies indicates that in the case of conflict between national goals and those of MNCs, the latter will take the necessary steps to protect themselves. Seabed MNCs may be even more difficult to enlist in national security efforts because of their organization and the nature of the seabed mining industry. Belonging to consortia, US firms may find it convenient to support the general policies of the entire enterprise to the detriment of the United States. The irony of the Reagan position, apart from the question of MNC reliability, is that, by not signing the treaty, US companies are effectively prevented from participating in seabed exploitation and the other treaty provisions beneficial to the United States are jeopardized.

Instead of encouraging West European countries and Japan to circumvent international law by agreeing to a mini-treaty, the United States should, in co-operation with other industrialized countries, support the regulation of seabed mining in order to minimize adverse effects on those developing countries which are extemely dependent on the export of copper, nickel, cobalt and manganese. Total independence is neither desirable nor possible. What happens on the seabed cannot be divorced from the multiple and intertwining transnational problems which require some co-operation from the Third World if they are to be solved.

Switzerland's 'militia parliament' under scrutiny

ANTHONY McDERMOTT

THE elections to Switzerland's bicameral Federal Assembly are a peculiarly Swiss affair. They are held every four years in an atmosphere devoid of the sort of tension, speculation and excitement which general elections tend to stimulate elsewhere. Indeed, at the time of writing, with only a few weeks to go before polling on 23 October, there has been little open political manoeuvring. Analysis has been left largely to the Swiss newspapers, while the fourteen or so parties participating have been wrestling with the practical problems of drawing up lists of candidates and party programmes. Nor are the elections a burning topic of conversation. As usual, speeches will be made and the pictures of the candidates will be stuck up on walls and hoardings. But it is symptomatic of the low key approach that, as the time gets closer, there are restrictions on the candidates giving interviews to the media.

The temptation to see the Swiss election in terms of other Western democratic electoral procedures has to be resisted. The voting on 23 October will produce 200 members for the National Council and 46 for the Council of States, both of which carry equal weight, and lead to the formation and election of the seven-member Federal Council (or Cabinet).[1] But the main point is that the formal pinnacle of the Swiss democratic process—the general elections—is for many reasons not the crucial part. For, as one writer has put it, 'the Swiss system of government is characterized by its non-parliamentary, federal aspects and by its direct democracy.'[2] Another has written that 'because Swiss communities are bottom-heavy, they are stable and slow'. Indeed, the non-parliamentary aspect of Swiss politics is so strong that the same observer notes a resulting 'paradox': 'The total politicization of Swiss life leads to its opposite, a lifelessness in daily politics and indifference to it.'[3]

Thus, neither commentators nor the public expect substantial changes in

[1] The names for the various components of Parliament are complicated by Switzerland's having four national languages, the main two being French and German. Thus, the seven-member Federal Council is known as both Conseil Fédéral and Bundesrat; the bicameral 246-member Federal Assembly (Parliament) as Assemblée Fédérale and Bundesversammlung; the 200-member National Council as Conseil National and Nationalrat; the Council of States, whose 46 members represent the cantons, as Conseil des Etats or Ständerat. There is also the Federal Chancellery (Chancellerie Fédérale or Bundeskanzlei), which acts as political co-ordinator between the Federal Council, the civil service and the Parliament.

[2] Erich Grüner, *Modern Switzerland* (Palo Alto: The Society for the Promotion of Science and Scholarship, 1978), p. 339.

[3] Jonathan Steinberg, *Why Switzerland?* (Cambridge: Cambridge University Press, 1980), p. 28 and p. 80.

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the composition of the Parliament. In this context, if any party wins or loses five seats, a landslide is reckoned to have taken place. If any trends are detectable, they are likely to be a strengthening of the representation of the Greens (i.e. the ecologists) and the parties of the Right, which are tinged with some xenophobic sentiment, and a weakening of the Social Democrats.

Besides the issue of protecting the environment, which has been adopted by almost all the party programmes and not just that of the Greens, there is a range of other topics which, on past form, are unlikely to produce spirited exchanges between candidates: Swiss membership of the United Nations, foreign workers and asylum, banking secrecy, and the establishment of civilian service to replace prison sentences for those who refuse compulsory military service. This situation, taken together with the regular low turnout of voters, has raised questions about the system itself—how representative it really is, whether the domination of the four main parties does not make the exercise somewhat hollow, whether the balance between Parliament and direct 'popular' democracy needs to be altered and whether there should not be more political activity outside Parliament.

The structure of government

The representation within Parliament and its role in Switzerland's political life bear some detailed examination if one wishes to evaluate the strengths and weaknesses of Swiss democracy.

In the Parliament, whose mandate is just ending, the majority of seats in both houses was held by four parties. In the 200-member National Council, both the Social Democrats (SD) and the conservative Radical Democrats (RD) had 51 seats each. Next came the Christian Democrats (CD) with 44, and the Swiss People's Party (SPP), strong in its defence of small business and farmers, with 23. Besides these, a religious and independent grouping had 11, the somewhat misleadingly named Liberals 8, the Left, represented by the pro-Moscow Workers' Party (WP) and POCH (the Progressive Organizations of Switzerland) 7; other individual parties had a total of 5 seats, including 3 for the extremist, anti-foreign National Action Party (NAP) and 1 for the Greens. In the 46-member Council of States, the CD held 18 seats, the RD 11, the SD 9, the SPP 5 and the Liberals 3.

The most striking aspect of the historical distribution of seats has been its stability. Since 1919, the Big Four, which dominate proceedings by acting as a virtual coalition, have never held less than 81 per cent of the seats in the National Council.[4] Their share reached a peak of 93·6 per cent in 1931, a trough of 81 per cent in 1971, and levelled out at 84·5 per cent in the last two elections of 1975 and 1979. While this share may well drop slightly, it is hard to foresee it falling below four-fifths. In short, the electorate votes for a parliament whose mainstream proportions will not alter, and without the slightest chance of a government change.

[4] Steinberg, *op. cit.*, p. 82 and *Jahrbuch der eidgenössischen Behörden, 1983* (Berne: Verbandsdruckerei, 1983), p. 137.

Within the National Council, because the Big Four operate so closely, the other parties could raise at best about 40 seats out of 200, hardly a serious opposition. Even this would presuppose that, for example, the Communist WP would be prepared to work with the extreme-right NAP. At the heart of the Big Four's co-operation lies the so-called 'magic formula', arrived at in 1959, whereby the seven members of the Federal Council are selected by a joint meeting of both houses of the Federal Assembly for a four-year term on the basis of party, language, canton and religion. The crucial factor is the party affiliations whereby Social Democrats, Christian Democrats and Radicals each supply two members, and the Swiss People's Party one.

The advantage of this system is that it leads to consensus within both Parliament and the Federal Council. An additional bonus for membership of the Council is that the presidency rotates on a one-year basis amongst its members (chosen again by Parliament). Moreover, as it is virtually impossible for individual councillors or for the entire Council to be forced to resign, their positions are unassailable.

The disadvantage is that it has become difficult for minor parties to have legislation passed relating to their particular interests. This, in turn, is sensed by voters who see little point in exercising their rights in what seems to be an immutable situation. The *Basler Zeitung*, in its editorial on 18 July, said that the aware voter felt increasingly that he was expressing his political will imperfectly when voting for one of the Big Four, as this virtually amounted to voting for a single party system.

Problems of 'opposition'

With regard to policies, the Social Democrat party finds itself in an awkward, almost compromised position, which could be made worse if it does lose seats in the October elections. In theory, the SD is the only 'opposition' amongst the Big Four. On 16 August, its central committee announced its electoral programme under the slogan 'The Socialists—the social conscience of Switzerland'. Its proposals included: on the labour front, the reduction of working hours and greater protection against dismissal; on the environment, a ban on the construction of further nuclear power plants; and, on the economy, that cuts in expenditure should not exclude the military. For Switzerland, this is a fairly radical programme and certainly one at odds with the proposed policies of the other three parties in the coalition. The possibility of the SD leaving the government has been discussed, but the party sees an advantage in exerting influence from within the system, rather than leaving it and being constantly outvoted in Parliament.

This situation accounts for the growing apathy of voters, which is reflected in increasingly low turnouts for general elections and other voting exercises. Between 1943 and 1975, the turnout for elections to Parliament averaged 65 per cent, with a low of 52 per cent in 1975. In 1943, turnout was 70 per cent; at the last elections in 1979, it had fallen to 49 per cent.[5] The reason for this lies

[5] Grüner, *op. cit.*, p. 346; see also a study by Alois Riklin and Roland Key, of the St Gallen

partly in the fact that the names of voters, male and female, are automatically registered at the age of 20. More specifically, and ironically, the drop in turnout can be attributed also to the poor participation of women, who were given the vote in 1971. It has been estimated that only 12 per cent of eligible women voted in 1979.[6]

Perhaps the most important reason for the low national turnout is the special structure of Swiss politics, where the sovereignty of the canton, as opposed to that of the federal government, is enshrined in the Constitution. The Parliament has been described as being 'wedged between the Federal Council, for which it can create difficulties but which it cannot overthrow, and a sovereign (the voters) who . . . can question the policies of the elected authorities or . . . accelerate them'.[7]

This elaborate process of democratic checks and balances has almost no rival in Western democracies. It is not merely a question of the broad relationship between the federal government and the canton and whatever quaint and traditional complexities it may throw up (e.g. no local votes for women in the half-cantons of Appenzell Inner-Rhodes and in certain communes of the Grisons). The aim is to keep together and represent very diverse elements of the population. Switzerland has its four languages, with French dominant in the west, a Swiss German-speaking majority in the east, plus the Italian-speaking canton of Ticino and Rhaeto-Romanch communities, also in the east. Religiously, there are about 3 per cent more Catholics than Protestants, with the former having their heartland (and the CD vote) in the central and southern cantons of Valais, Fribourg, Uri, Schwyz, Obwalden and Nidwalden. In addition, there are the varying interests of conservative rural areas, highland communities and large cities.

At the same time, these differences can be exaggerated. For example, of the twenty German-speaking cantons eight are Protestant, seven Catholic and the rest mixed. It has been pointed out that because of the political and religious 'overlappings and intersections. . .neither linguistic nor religious nor socioeconimic divisions in Switzerland became soldified dominants in federal politics', so that parties were forced to work out arrangements with each other.[8]

In spite of the general indifference of the voters, attitudes towards the elections vary in different areas. Industrial centres such as Zürich, Basle and Winterthur have a sense of independence from Berne, the confederal capital and its trappings of national government, because of their economic strength. This attitude is not shared by Geneva. There, according to M. Robert Vieux, chief spokesman for the canton of Geneva, the fact of being an international city housing the second largest UN complex in the world as well as being an important junction of road, rail and air links has made it vital for Geneva to

Graduate School of Economics, Law, Business and Public Administration, quoted in *International Herald Tribune*, 12 January 1983.

[6] Information given by Mrs Randi Sigg-Gilstad, a writer on women's affairs in Switzerland.

[7] Grüner, *op. cit.*, p. 340. [8] Grüner, *op. cit.*, p. 352.

lean on Berne for help in administering and financing these operations, even though the principle of cantonal sovereignty remains powerful.

Checks and balances

The checks and balances referred to above are on two levels—between the two chambers of Parliament, and between the Parliament and cantonal and community politics. The 200-member National Council represents the Swiss people, while the 46-member Council of States represents the cantons, being composed of two members from each of the twenty full cantons, and one from each of the six half-cantons.

The National Council is elected according to a system of proportional representation based on the most recent census of December 1980, with the result that the allocation of seats varies from 35 for Zürich, 29 for for Berne and 11 for Geneva to 1 each for Uri, Obwalden, Glaris and Appenzell Inner-Rhodes. This system is made more intricate by a series of voting lists, enabling the voter, as long as his or her allocation of candidates to the full canton is not exceeded, to vote for a full party roster, replace some names with candidates from other parties or draw up a new list on a blank form. This interplay between parties and personalities makes firm forecasting the more complicated. The elections to the Council of States vary from canton to canton, but are almost all by secret ballot and based mainly on a straight majority, with an eye at the same time on the political parties.

The two chambers meet jointly at least once a year. They elect the Federal Council (once every four years), the Federal Chancellor, the members of the Federal (Supreme) Court and, in times of crisis, a general to command the armed forces. In terms of legislation, they are coequals. They deal with the various 'issues' both in plenary sessions and in special committees, and legislation is not passed until it has been accepted by both houses. The result is another example of the Swiss process of compromise.

However, both the low voting turnout and the 'direct democracy' generated in the cantons and communities are sapping the standing of Parliament. The two factors are intertwined. For referenda and 'initiatives' on three different levels can be held both to decide local issues and to act as a brake on federal legislation. There is, first, the compulsory referendum, carried out on a federal level, when the Federal Assembly proposes a constitutional change. Here a double majority of both the popular vote and the numbers of individual cantons is needed. Second, there are 'initiatives' for legislation, for which 100,000 signatures are necessary, and this operates on both national and cantonal levels for a referendum. Finally, if 50,000 signatures can be obtained in reaction to legislation, an optional referendum can be held on federal, cantonal and communal levels.

As a result, the Swiss people have had to vote an extraordinary number of times. Since the check of compulsory referenda and optional legislative referenda was first instituted in 1874 until the summer of 1976, a total of 1,141 federal laws were introduced, of which 78 were subjected to optional referenda

(48 were rejected), 102 to compulsory plebiscites (20 rejected) and 67 to popular initiatives (49 rejected).[9] Since 1970 until the end of February this year, the electorate has voted altogether 95 times, or about eight times a year, on major federal issues. Participation has been rarely above 50 per cent, and in recent years it has been predominantly between 30 per cent and 35 per cent. There have been exceptions, notably the famed Schwarzenbach referenda, aimed at restricting the presence and activities of foreigners. Held in June 1970 and in October 1974, they brought out 74·7 and 70·3 per cent of the voting population, which incidentally rejected the proposals. By contrast, two double referenda, held in June 1972 and March 1973 respectively, one on the issues of the construction industry and currency purchasing power, and the other on education and scientific research, brought out only 26·7 and 27·5 per cent of the voters (who approved the proposals).

Besides the questions of electoral voting and its effects on the status of Parliament, there are financial issues which damage the effectiveness of party operations, and the interests and the representative function of members of both houses. The parties are not rich. Finance is ostensibly raised by subscription. (The two exceptions are the Radical party, which gets support from the Swiss Union of Commerce and Industry, and the Independents' Alliance, which had eight seats in the National Council and was set up by Mr Duttweiler, founder of the giant *Migros* retailing chain, which still finances the party). In non-election years, financing participation in referenda and 'initiatives' has been costing anything between 50,000 Swiss francs (£17,000) and ten times as much each.[10] One newspaper reckoned that the whole election campaign would cost at least 20 m. Swiss francs (£6·7 m.) and gave examples of the approximate quantity of funds available. The Independents' Alliance acknowledged 1·5 m. Swiss francs, the CD 600,000, the RD at least 500,000, the SD 320,000, the SPP up to 200,000, and smaller parties such as the Evangelical People's Party (linked with the Independents) and the NAP in the region of 70,000 Swiss francs each.[11] Even though there is a marked discrepancy between the parties' admitted electoral budgets and their real overall costs, and reluctance to disclose where the difference might come from, total election expenditure is not enormous.

More serious in many ways is the effect on representation of the fact that the members of the National Council are not professional politicians. (Members of the Council of States are paid according to the regulations of the different cantons.) They receive a *per diem* of 150 Swiss francs (£50) plus free accommodation and assistance for secretarial work. As an echo of the military service required of the 'militia army', the assembly is referred to as a 'militia parliament'.[12] A member would spend in a year twelve weeks divided into four

[9] Grüner, *op. cit.*, p. 342.

[10] Estimate supplied by Dr Oswald Sigg, author of *Les institutions politiques en Suisse* (Zürich: Pro Helvetia, 1983).

[11] *Basler Zeitung*, 27 August 1983.

[12] Notably by Mr Willi Ritschard, a Federal Councillor and possibly the next President, in a speech to the University of Southern California on 2 April 1979.

regular sessions. As a member of one of the sixteen main permanent specialist commissions, he would expect to spend a further four weeks receiving a *per diem*. This favours those working in free professions, such as lawyers, academics and those who can pick up remunerative directorships, rather than the working man or the self-employed. A recent study of the Federal Assembly showed that the Big Four parties had amongst their 212 representatives only 1 manual worker, 3 tradesmen, 3 pensioners and 5 housewives. By contrast, lawyers held 49, magistrates 39, and educationalists 23 seats. Women are seriously under-represented, with only 21 seats overall in the last Parliament.[13]

How the 'militia parliament' survives financially has been indicated in a recent book.[14] In the National Council, 119 members are listed as having directorships with companies ranging in number each from 1 to 31 held by Dr Paul Eisenring of the CD. In the Council of States, 34 have directorships, led by Dr Peter Hefti (RD from Glarus) with 34. Members of the former house hold 599 directorships representing capital of13·02 billion Swiss francs, and of the latter house 243 with capital of 6·77 billion Swiss francs. Thus, interests worth almost 20 billion Swiss francs are directly represented in Parliament, compared with a GNP estimated in 1982 at 205·5 billion Swiss francs. The main difference in this year's elections will be that, under an agreement reached last year, elected members will have to declare their interests to the Federal Chancellery for the first time.

Against this background, it is worth citing estimates of the possible outcome of the elections for the National Council, based on a detailed analysis of the spring cantonal elections in Basle, Ticino, Zürich and Lucerne.[15] The conclusion was that disillusionment with the aims of the Social Democrats and Radicals would result in their seats falling from 51 each to 48, while those of the Christian Democrats and the Swiss People's Party would remain at 44 and 23. The most serious winners would be the Greens, who would rise from 1 to 4, and the Left rising from 7 to 11.

The environment, with implications encompassing protection against pollution and hostility towards the nuclear power programme and the extension of the national motorway system, promises to be the key electoral issue for almost all parties. Unemployment is another, even though it stands at less than 1 per cent. But within a population of 6·4 million (of whom 14 per cent are foreigners), this is a sensitive issue with implications for the future of aliens, which the National Action Party and its affiliated party in Geneva, Vigilance, was expected to exploit.

In the end, the October elections will mark no turning point in Switzerland's democracy. At most, minor adjustments are to be expected, with the confirmation of the trend towards abstention for many of the reasons examined above. There is a built-in contradiction here. For, some who stay away,

[13] Urs Altermatt, '*Thesen zum Sozialprofil des eidgenössischen Parlaments 1979 bis 1983*', quoted in *Tages Anzeiger*, 8 August 1983.

[14] Hans Tschäni, *Wer regiert die Schweiz? Der Einfluss von Lobby und Verbänden* (Zürich: Orell Füssli, 1983). Figures drawn from appendix, pp. 189–99.

[15] *Tages Anzeiger*, 4 May 1983.

especially younger voters, do so because they feel that the entrenched system cannot be changed, while others abstain because they sense that as the system works there is no pressing need to vote. There is, too, legitimate pride in a political system in which besides the executive and the legislative—the Federal Council and Parliament—there is a third level—the people—who can have a direct say in decisions and even stop them. M. Vieux believes that if this system with its overlaps did not exist, Switzerland, whose unity in modern times has rested on its controversial neutral stand in two World Wars, would run the risk of deteriorating into a new version of the Swiss civil wars of the Middle Ages. This assumption probably goes too far. But the other side of the coin, and the paradox of this autumn's elections, is that the price of stability is lack of participation.

Irish America and Northern Ireland: a postscript[1]

RAYMOND JAMES RAYMOND

MICHAEL Flannery's election as Grand Marshal of the St Patrick's Day parade in New York on 17 March was a major propaganda coup for the resurgent Irish Northern Aid Committee (Noraid) which only six months ago appeared isolated and dispirited. Did Flannery represent all strands of Irish-American opinion or merely Noraid? Was his election a landmark in the radicalization of Irish-American opinion on Northern Ireland or merely a transient event of little or no lasting significance? This postscript to an earlier article suggests that while the Flannery affair highlighted deep-seated frustration over the present stalemate in Ulster, it was not a major turning point in Irish-American opinion. Indeed, far from radicalizing this opinion, Flannery's sectarian militancy merely polarized it, alienating the moderate majority. Arguably, the most significant aspect of the whole controversy was that it illuminated the degree to which a substantial minority of Irish Americans has become alienated from the government of the Irish Republic.

To begin with, Michael Flannery did not enjoy unanimous support within the Irish-American community; nowadays the latter contains many different strands of opinion on Northern Ireland but most are strongly opposed to the Provisional IRA and its American support group, the Irish Northern Aid Committee. Mr Flannery was elected by a caucus of 510 delegates representing

[1] See the article by the same author entitled 'Irish America and Northern Ireland: an end to romanticism?', *The World Today*, March 1983.

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170 different branches of the Ancient Order of Hibernians and other Irish-American organizations in the greater metropolitan area. But the New York Irish are atypical in that many of them have remained in old traditional neighbourhoods where passions run high and perspectives are narrow. One must also remember that not all Irish-American organizations in the New York metropolitan area are eligible to vote for the Grand Marshal, while many of those who are, are infiltrated by young, militant members of Noraid.

Moreover, Mr Flannery was vigorously denounced by almost every prominent Irish-American politician, including the Senators Daniel Patrick Moynihan (New York) and Edward Kennedy (Massachusetts), the former Governor Hugh Carey, and the Speaker of the House of Representatives, Thomas P. O'Neill. Indeed, all these elected representatives were vilified in a smear campaign mounted by Noraid which accused them of being 'once-a-year-Irishmen.' It was significant, however, that Flannery's strident rhetoric was not heard until *after* his election as Grand Marshal. Until then, he was carefully 'packaged' by Noraid so as to secure the widest possible support. This was a clever strategy, for Mr Flannery seemed ideally qualified to appeal to all segments of the Irish-American community. On the one hand, Noraid could present him to moderate Irish Americans in the compelling role of the 'patriot patriarch'[2]: a man of unimpeachable integrity and piety who for fifty years had helped penniless Irish emigrants and supported their cultural activities, so that his election could be portrayed as merely the long overdue acknowledgement of his services to the New York Irish community. On the other hand, Mr Flannery's impeccable Republican credentials made him the perfect choice of the hard-line IRA supporters: not only had he fought in the Anglo-Irish war (1919–21) and the Civil War (1922–3), but he was also a founder member of Irish Northern Aid and a self-confessed gun-runner. This mixed record of personal generosity and hard-line republicanism was used by his supporters to manipulate the inevitable coverage by the media so as to arouse latent Irish-American anglophobia as well as fan criticisms of the Irish government.

What did Flannery's election reveal about the present state of Irish-American opinion? First, it sent a 'signal of despair'[3] to the embattled province of Northern Ireland, demonstrating that the narrow-minded fanatics who have closed their minds to any kind of rational argument still wield considerable power in the Irish-American community. It also showed the extraordinary lengths to which they were prepared to go to recapture the hearts and minds of the moderate majority of Irish Americans who have been slowly awakening over the past decade to the complexities of the Ulster situation.

[2] The phrase 'patriot patriarch' is Dennis Clark's. See his study, *Irish Blood: Northern Ireland and the American Conscience* (New York: Kennikat Press, 1977). Noraid propagandists put tremendous emphasis on his piety in their efforts to convince the broader American public. For examples, see Richard Lalor, 'Honoring Ireland's savior and waiting for another', *The Hartford Courant*, 17 March 1983; John Galvin, 'The Flannery effect', *The Boston Irish Echo*, 26 March 1983.

[3] The phrase was used by Peter Barry, the Irish Foreign Minister, interviewed in *The New York Times*, 17 March 1983.

Next, Noraid succeeded in exploiting a profound sense of frustration felt by all Irish Americans at the present stalemate in Ulster. In a positive sense, this frustration has been reflected in the founding of many new apolitical societies dedicated to promoting serious dicussion about the origins and development of the current conflict in Northern Ireland. Many Irish Americans have come to realize that they know very little about the complexities of the present situation and are eager to learn more. In a negative sense, frustration has led to increased support of Irish Northern Aid, especially among the less affluent and less educated. For this group, Noraid skilfully presents the Ulster conflict in simplistic one-dimensional terms, promising a speedy solution once Britain can be prevailed upon to withdraw.

This rising tide of frustration will not be appeased by half-measures such as the 'Forum' presently meeting in Dublin. The longer the stalemate continues, the more it will play into Noraid's hand. Irish-American opinion is entering a particularly volatile phase: confused and perplexed by the failure to achieve a just and lasting settlement in Ulster, it has allowed the proponents of terrorism, including Michael Flannery, to grow stronger.

Above all, the Flannery controversy had the effect of revealing the wide gap which exists at present between the Irish in Ireland and those in America. At best, many Irish Americans now view the Dublin government as the inert guardian of an unjust and unworkable status quo; at worst, as a puppet of Mrs Thatcher. By contrast, the Irish government and its constituents see Irish Americans as naïve and misinformed people interfering in Ireland's internal affairs. Why have relations between the motherland and the overseas Irish deteriorated to the acrimonious level evident throughout the Flannery controversy?

The answers are complex. In part, the present discord results from the failure of the Irish government to present its case effectively to the American public; in part, it follows from the fact that, within the Irish-American community, there has been too little questioning of traditional assumptions about Irish identity, or about the role and necessity of violence in Northern Ireland.

Since 1970, the Irish government has made considerable (and commendable) efforts to apprise Irish Americans of the frightening complexity of the Ulster question. But while Dublin has correctly urged the Irish community in America to refrain from supporting the IRA, it has failed to offer clear alternatives. The lack of constructive leadership from Eire has ensured that Irish America remains bewildered by the attitudes and policies of the Irish Republic and easy prey for Noraid's lurid propaganda.

But there is more to the acrimonious exchanges between New York and Dublin than the Irish government's inability to convince Irish Americans of the wisdom of its policies or the election of an octogenarian gun-runner as Grand Marshal of the New York St Patrick's Day parade. The Flannery affair was but a symptom of the deep cultural gap now separating the Irish in Ireland from the Irish in America. The crucial fact is that the people of the Irish Republic have been profoundly traumatized by the violence in Northern

Ireland while Irish Americans have not. As a result, the Republic has undergone a profound indentity crisis, with many of its traditional assumptions about the meaning of Irish nationalism called in question. Irish Americans, in contrast,[4] still cling tenaciously to the old shibboleths. Thus, the controversy far transcended the individual merits of Michael Flannery—in fact, it centred on the very meaning of Irishness.

Although Mr Flannery's election enabled the hardliners to stage a surprising come-back, Noraid has failed to win majority support and its new campaign already shows signs of weakening. In the spring, Noraid sponsored a bill in the Connecticut Legislature which would have compelled the State of Connecticut to divest itself of all assets invested in banks or corporations doing business with the United Kingdom until it withdrew from Northern Ireland. Despite vigorous lobbying by Noraid representatives, however, the bill was defeated. Far from persuading American opinion at large to back the Irish Northern Aid Committee, Flannery's election brought forth some vigorous editorial criticism from almost all the newspapers on the East coast.[5]

In sum, the Flannery affair was no more than a skirmish in the current propaganda war in the United States over Northern Ireland. Nevertheless, Noraid compelled many Americans to think about its platform and that, in itself, was a regrettable tactical victory.

[4] For an overview of the Irish identity crisis, see Terence Brown, *Ireland: A Social and Cultural History 1922–1979* (Glasgow: Fontana, 1981), Chapter 9.

[5] See the editorials in *The New York Times*, 13 February 1983; *The Wall Street Journal*, 15 February 1983; *The New York Daily News*, 15 February 1983; and *The Christian Science Monitor*, 16 February 1983.

CORRIGENDA

In the Note of the Month 'The British nuclear deterrent and arms control' (*The World Today*, September 1983), on p. 321, the opening sentence of the fourth full paragraph should read:

> 'The British government has said—in the Defence Open Government Document of March 1982 on the decision to buy Trident II—that if circumstances were to change significantly, for example, if Soviet military capabilities and the threat they pose to the UK were to be reduced substantially, the UK would, of course, be prepared to review its own position in relation to arms control negotiations.'

In the article 'The crisis in Central America: economic roots and historical dimensions' (*ibid.*), on p. 328, footnote 1, for 'R. Wisson' read 'R. Wesson'. On p. 332, footnote 8, for 'The two typical cases' read 'The two cases'.

Please note that the article on START, INF and European security, announced last month, will appear in the November issue of *The World Today*.

Notes of the month

THE NEW US–SOVIET GRAIN DEAL

THE sharpest comment on the US–Soviet grain deal, signed in Moscow in late August, came from Dr Zbigniev Brzezinski, President Carter's former National Security Adviser. 'The Secretary of State has crawled on his knees to Moscow', he said. 'It is an act of craven capitulation.' For understandable reasons, this was not a view endorsed by the Secretary of State concerned, John Block, head of the US Department of Agriculture. Without any intention of irony, he described the new grain agreement with the Soviet Union as 'perhaps the most significant diplomatic achievement of the Reagan Administration.'

The new five-year deal will replace the original agreement which came into force in 1976. For the last seven years, the Soviet Union has contracted to buy a minimum of six million tons per year of wheat and coarse grains from the United States, with the option to raise that figure to 8 million tons without consultation. Beyond that level, further purchases have been a matter for negotiation; in practice, they have been restricted only by the US embargo after the invasion of Afghanistan. Now, under the new agreement, minimum purchases will be 9 million tons a year, with the Russians able to buy up to 12 million tons without further negotiation.

A minor commercial deal, of no particular significance? An indication of a thaw after the ice age of détente? Or American capitulation to domestic political and economic pressures? For the answer, one must look to the details of the new agreement. First, the volume of sales at 9 million tons per year is presented by the Administration as a 50 per cent increase. The extra 3 million tons, however, can only be a serious disappointment to the American farm sector which, in one form or another, was holding stocks of 106 million tons of feed grains and 41 million tons of wheat at the end of the 1982/3 crop year according to the authoritative figures of the International Wheat Council. Those who wish to present the new level of sales as a triumph of American salesmanship are already being referred back to President Reagan's speech of 23 November 1982, when he offered the Soviet Union up to 23 million tons—a level which, if attained, would have done something to relieve the burden of farm subsidies, including support for taking land out of production which this year will add some $20 bn to the US government deficit.

From the Soviet standpoint, the agreement on minimum sales of 9 million tons indicates that the determination to diversify sources of supply, adopted as policy after the 1980 embargo, remains as strong as ever. Six years ago, more than 70 per cent of total Soviet grain import needs came from the United States. This year, the figure will be more like 25 per cent, despite an increase in total import levels. Agreements have been signed with other suppliers —notably Canada, Argentina and Brazil. The US will remain a substantial but essentially a residual supplier.

Even for that dubious privilege, the Soviet Union has been able to exact a price. The new agreement omits clauses which previously permitted the US to reduce sales below the minimum level in the event of a shortage of supply. And, in the careful language of international treaties, the US government has committed itself 'not to exercise any discretionary authority available to it under United States law' to limit shipments. Put more plainly by a USDA official, that means that 'it would have to be a very serious thing, a national emergency, a severing of diplomatic relations, almost a state of war for the US to curtail supplies.'[1]

To those who have long argued that grain embargoes are valueless and counter-productive, the decision by the Administration to renounce their use—a decision confirmed by the inaction after the shooting down of the Korean airliner a fortnight after the grain deal was signed—will be seen as a welcome show of realism. Nevertheless, taken together, the clauses of the agreement do indicate that the US was forced to negotiate on what were basically Soviet terms. In a buyer's market, with an excessive overhang of stocks and prices at their lowest level for years, any sales are welcome, even to the 'evil empire'.

Grain is a special market, and a special issue in political terms, for a President who must have in mind the substantial number of primary and electoral college votes that lie in the farm states. But the agreement, taken with the rethinking on the gas line and on other issues of East-West trade, does appear to indicate that economics are taking over from ideology as the dominant factor in the US-Soviet relationship as seen from Washington.[2]

It would be wrong to suggest that this indicates a new economic détente. There is no sign that after ten years the United States government is reverting to the view that there are substantial mutual benefits to be gained from close co-operation and greater trade. Instead, there is merely a hint that the holy war of good against evil has been postponed, and that in the meantime there is nothing to be gained by inflicting damage on one's own economy for the sake of a rhetorical flourish. Perhaps, in the reassertion of the old American principle that a dollar is a dollar, lies the hope for calmer coexistence between the super-powers.

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[1] *International Herald Tribune*, 27 August 1983.

[2] For a discussion of the role of ideology in the foreign policy of the current administration, see Arthur Schlesinger, 'Foreign policy and the American character', *Foreign Affairs*, Fall 1983.

NOTES

THE ABORTION REFERENDUM IN IRELAND

THE constitutional referendum held on 7 September followed a strident campaign, often characterized by recrimination rather than debate. The vote, on a low turnout, produced a majority of two to one in favour of a constitutional change, which would insert into the Constitution a clause acknowledging the equal right to life of both the mother and her unborn child and would, so the amendment's advocates believed, close the door to legalized abortion in Ireland. Such a constitutional guarantee would underpin the existing prohibition of abortion contained in legislation dating back to 1861.

In April 1981, the Pro-Life Amendment Campaign (PLAC) was launched at a press conference in Dublin to lobby for a constitutional referendum on the issue. Many Catholic pressure groups had been worried by the 1973 decision of the Supreme Court, which in a test case had declared the legal ban on the importation of contraceptives, at least by married couples, unconstitutional. This decision led to a revision of the law relating to contraception. A limited measure of reform was introduced by the then Health Minister, Charles Haughey, making contraceptives available on a doctor's prescription for *bona fide* family planning purposes or on adequate medical grounds. The anti-abortion pressure groups, fearing that in the future a similar test case might be brought on the question of abortion, wished to reinforce the existing legal position.

The PLAC approached all three of the major political parties, urging them to adopt their call for constitutional change. The *Fine Gael* leader, Garret FitzGerald, was the first to support the idea of a referendum, followed by the *Fianna Fáil* Prime Minister, Mr Haughey. The Labour Party adopted a rather more cautious approach. The precipitate endorsement of the idea of an amendment by the two major parties owed much to the tense political atmosphere. With a General Election due only a few weeks later on 11 June 1981, both parties seized upon what appeared a good moral issue on which to campaign, rather than embarking on a considered evaluation of the implications of the PLAC case. All the major political parties had been and remained against any legalization of abortion and the constitutional referendum appeared to many as unnecessary and indeed irrelevant, given the nation's pressing economic problems.

Irish politics passed through a period of turmoil, with three General Elections following each other in the space of eighteen months.[1] Despite clear statements from the Protestant Churches opposing a constitutional amendment and the launching of an Anti-Amendment Campaign (AAC) in June 1982, successive Prime Ministers reiterated their support for an anti-abortion amendment. In November 1982, the outgoing *Fianna Fáil* administration published their wording for the proposed amendment.[2] The following

[1] See Jonathan Marcus, 'Ireland in transition', *The World Today*, March 1983.

[2] The wording of the amendment was as follows: 'The state acknowledges the right to life of the unborn and, with due regard to the equal right to life of the mother, guarantees in its laws to respect, and, as far as practicable, by its laws to defend and vindicate that right.'

January the new coalition government's Minister for Justice stated that the referendum would be held within ten weeks. However, both the legal and medical professions were deeply divided on the issue of the wording of the proposed amendment. Fears were voiced that the amendment might necessitate a review of current medical practice and might outlaw certain forms of contraception, notably the IUD and the 'morning after' pill. Pressure groups on both sides of the debate each marshalled their own panels of legal experts and leading gynaecologists and obstetricians to put their case to an increasingly confused public. In February, both the Attorney-General and the Director of Public Prosecutions informed the government that the wording inherited from *Fianna Fáil* was ambiguous and unsatisfactory. Indeed, the amendment might even lead to the legalization of abortion under certain circumstances. In the interests of clarity, the FitzGerald government attempted to introduce a new wording. This new text was criticized both by the PLAC and the Catholic hierarchy. The government's wording was defeated in the *Dail*, and the original *Fianna Fáil* text was passed by a large majority. Dr FitzGerald made it clear that he would encourage people to vote against the amendment.

In the three-week referendum campaign, launched in mid-August, the major political parties attempted to distance themselves from the fray. *Fianna Fáil*, whilst supporting the amendment, would not campaign as a party on the issue, but deputies and party workers were free to campaign in their own right at local level. *Fine Gael* agreed that that the only public statement from the party should come from the Prime Minister, Dr FitzGerald. The field was left to the respective pressure groups and Church representatives.

The PLAC adopted the slogan—'protect life, prevent abortion'. The legalization of abortion became the essential question in the campaign. A 'no' vote, it was claimed, would be taken as encouragement by the pro-abortion lobby. The Anti-Amendment Campaign emphasized that the amendment might kill women and they appealed to Catholic priests not to use the pulpit to advocate the PLAC line. The Labour Party and the Irish Congress of Trade Unions actively campaigned against the referendum. The issue was not abortion, claimed Justin Keating, a Senator and former Labour Minister; what was at stake was the sort of country Ireland was to become. Was it to be 'a twenty-six county Catholic green republic' or a pluralist and open society? The Protestant Churches reiterated their stand against a constitutional referendum. The Church of Ireland reaffirmed its opposition to abortion 'save at the dictate of strict and undeniable medical necessity', emphasizing that, whilst it was up to each individual to vote according to conscience, a constitutional prohibition was not the proper way to handle a complex moral and social problem. The Catholic hierarchy underlined the Church's teaching on abortion. A statement from the Irish Bishops' Conference recognized that the vote was a matter of conscience and urged respect for the views of those who were against both abortion and the referendum. However, the statement did identify pro-abortion groups in the anti-amendment campaign and concluded that 'a clear majority in favour of the amendment will greatly contribute to the continued protection of unborn human life in the laws of our country.' Certain bishops

and a large number of parish priests made less responsible statements. The Bishop of Elphin asserted that a 'yes' vote was to be equated with support for the rights of God. One local sermon compared the referendum campaign to the battle of Lepanto, where Christian forces overthrew the Turkish infidels. The use of intemperate language on all sides seemed to reduce the argument to one between Catholic fundamentalists and abortionists. The increasing acrimony of the campaign misrepresented the genuine convictions of many on both sides of the argument. An editorial in *The Irish Press* of 29 August referred to the campaign as 'our moral civil war'. Dick Spring, the Labour leader, described the campaign as representing a backlash against the slow liberalization of Irish society.

The campaign climax was Dr FitzGerald's television and radio broadcast on the eve of the vote. The Taoiseach (Prime Minister) acknowledged that he shared responsibility for accepting, without adequate legal advice, a wording that was both dangerous and ambiguous. The proposed wording would, contrary to the wishes of its advocates, increase, rather than decrease the role of the Supreme Court in interpreting the law. FitzGerald emphasized the divisive nature of the referendum and the impact that its passage would have on the search for reconciliation between what he termed 'the two traditions in Ireland'. Having both espoused the referendum and attempted the seemingly contradictory task of promoting his 'Constitutional Crusade', the Taoiseach frankly admitted his mistake. He had attempted to change the wording of the amendment and failed, and he urged a vote against the amendment.

The victory of the pro-amendment camp must be qualified, given the low turnout despite the exhortation from the Catholic hierarchy to vote 'yes'.[3] The result strikingly displayed the deep division between urban and rural electorates. The pro-amendment vote was heaviest in the rural constituencies of the West (often over 80 per cent) and lowest in the urban and more middle-class areas. Indeed, in five Dublin constituencies a majority voted against the amendment. Though welcomed by the Catholic Church, the result may prove a pyrrhic victory, for the referendum's long-term consequences could be detrimental to the Church's influence. A respectable anti-clerical lobby has been established and, though against abortion, public attitudes on other 'moral' issues are not so clearly in line with the Church's views. Thus an Irish Times/MRBI opinion poll published two days before the referendum (and accurately predicting its outcome) indicated that some 66 per cent of the population were in favour of divorce under certain circumstances. The European Commission of Human Rights has recently ruled that a case challenging the constitutional prohibition of divorce is admissible. Marital and sexual issues are likely to continue to present thorny problems for Ireland's legislators.

In the aftermath of the referendum, Ireland's two major political parties are

[3] The results of the referendum were as follows: turnout 53·67 per cent, voting 'Yes' (for the amendment) 66·45 per cent, 'No' 32·87 per cent; as a proportion of the total electorate, 'Yes 35·79 per cent, 'No' 17·6 per cent; in Dublin 'Yes' 51·6 per cent of the total votes cast, 'No' 48·3 per cent. *The Irish Times*, 9 September 1983.

each faced with particular problems. *Fianna Fáil* largely maintained a united face throughout the campaign, but its conservative stance may lead to difficulties given the referendum vote in Dublin; the party has a desperate need to improve its electoral standing in the capital. *Fine Gael* appeared more divided, with some Ministers and the party's youth wing campaigning against the amendment. This and the Taoiseach's own position has angered traditionalists in the party. One deputy, Oliver J. Flanagan, recently asserted that *Fine Gael* no longer respected the values of rural family life. The division between the party's conservative and liberal wings will have to be handled carefully, though a clear challenge to Dr FitzGerald's leadership is unlikely, not least because of the absence of a figure of similar stature.

The referendum has proved a divisive and largely unnecessary episode in Ireland's political calendar. As politicians return to the staples of parliamentary debate—the economy, the budget and unemployment—it should be noted that over 3,500 Irish women in 1981 travelled to Britain to obtain an abortion.

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START, INF and European security

DAVID S. YOST

WESTERN Europe has a vital stake in the negotiations between the United States and the Soviet Union on both strategic arms reduction (START) and intermediate-range nuclear forces (INF). European security interests include the future of East–West dialogue and détente, the stability of Soviet-American nuclear force balances, the coherence of allied security arrangements, and the credibility of 'extended deterrence'. Of these, extended deterrence, which may be broadly defined as the ability of the United States to offer nuclear protection to its allies, stands out as the foremost strategic concern. Because Soviet policy aims to undermine the credibility of American deterrence guarantees, the issue of whether START and INF should be linked or kept separate must ultimately take second place to the risks of cultivating high expectations about achieving security through arms control.

West European evaluations of possible agreements in the strategic arms reduction talks are marked by some fundamental disagreements. For instance, on the issue of the vulnerability of US inter-continental ballistic missiles (ICBMs), some Europeans maintain that American ICBMs are vulnerable owing to sustained Soviet efforts to weaken the credibility of extended deterrence by making it less likely that the United States might risk resorting to the limited use of strategic weapons. In contrast, other Europeans contend that the risks of US retaliation remain so enormous that the Soviet Union will see extended American deterrence guarantees as sufficiently credible. While for some the most relevant questions are whether START can reduce America's ICBM vulnerability and ensure a technically more stable strategic balance, others believe that mutual vulnerability and the uncertainties of any counterforce strikes make the strategic arms talks process essentially political. Their supreme concern, therefore, is a continued super-power dialogue that may lead to agreements which will make strategic force postures and behaviour more predictable and provide a basis for further arms control.

The principal reasons for Nato's December 1979 decision on INF are deterrence and arms control: the deployment and modernization of longer-range INF in Europe is meant to enhance extended deterrence by providing linkage with US strategic forces. For this purpose, West Europeans generally judge it unnecessary for Nato to match the Soviet systems in numbers, since parity in longer-range INF missiles (like the American cruise and the Soviet SS-20) could foster the notion of a separate INF balance, implying a decoupling from US strategic nuclear forces. In contrast, Nato's inferiority in INF numbers may

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make its dependence on US strategic nuclear forces clear to the Russians, so that they will discount their chances of being able to confine a war to Europe.

A certain tension between these two rationales has persisted. The December 1979 Nato communiqué stated that 'limitations should take the form of *de jure* equality both in ceilings and in rights'. Thus, while Nato requires INF *for deterrence*, many Europeans are concerned that the perception of an INF balance could give a misleading impression of decoupling. On the other hand, *for arms control*, equality in an INF balance is prescribed.[1]

Soviet INF purposes and proposals

Nato has inferred that the Soviet Union's purposes in expanding and modernizing its INF capabilities include developing military options that could intimidate Western Europe (to say nothing of countries in the Middle East and Asia) at a time when Soviet superiority in prompt strategic counter-force capabilities has weakened the credibility of America's extended deterrence commitments.

By March 1983 Soviet Russia had deployed 351 SS-20 launchers with 1,053 warheads (not counting reloads)—i.e. over twice as many warheads as it had in this category before SS-20 deployments began. Despite continuing to build up INF, the Russians have argued that an approximate European balance exists by under-counting their SS-20s (omitting reloads and SS-20s deployed east of the Urals but capable of striking Western Europe), under-counting their Backfires (omitting those assigned to naval aviation), omitting all their nuclear-capable fighter-bombers (Fencers, Fitters and Floggers), over-estimating numbers of US nuclear-capable aircraft, exaggerating the range of the Pershing I, and counting British and French systems with US totals.

The Soviet proposal of 4 February 1982 provided for a two-phase limitation on longer-range INF deployed in Europe or 'intended for use' in Europe, to be completed by 1990, in which each side would reduce its arsenal to 300 systems (aircraft and missile launchers) and would observe a deployment moratorium in Europe during the negotiations. This offer had at least four major flaws: first, it assumed an existing balance of approximately 1,000 INF on each side, excluding Soviet systems comparable to the US systems included and otherwise distorting reality;[2] second, it included British and French systems with US totals; third, it sought not only to prohibit the projected deployments of Pershing II and GLCM but to force the withdrawal of most other US 'forward-based systems' (FBS) in Europe; and fourth, it would not have required the elimination of a single SS-20 launcher and would have permitted unlimited

[1] For extensive background, see David S. Yost, *European Security and the SALT Process*, Washington Paper no. 85 (London and Beverly Hills: Sage Publications, 1981); and David S. Yost, *Die Zukunft atomarer Rüstungskontrolle in Europa: Von SALT zu START und INF* (Koblenz: Bernard und Graefe Verlag, 1983).

[2] For details, see Gerhard Wettig, 'The Soviet INF data critically reviewed', *Aussenpolitik*, Vol. 34, N°1, 1983.

SS-20 deployments east of the Urals. Since the Russians attributed 255 longer-range INF to Britain and France as part of US totals, the United States would have been allowed only 45 longer-range INF systems in Europe; since most of these 'forward-based systems' are aircraft capable of carrying conventional as well as nuclear arms, Nato's deterrence and defence capabilities would have been weakened in both conventional and nuclear terms.

Soviet proposals to count British and French forces with US totals offer a reduction of Soviet SS-20s 'in Europe' to no more than 162 deemed equivalent to British and French missiles. It is argued here, however, that British and French forces should not be counted with US totals in either START or INF (or in a revised negotiating forum combining the two) for nine basic reasons:

(i) The SALT record shows no mutually agreed precedent for counting the forces of third parties in these bilateral Soviet-American negotiations.

(ii) Britain and France naturally refuse to permit their forces to be taken into account in a bilateral US–Soviet negotiation, although they have indicated that they would be prepared to enter negotiations as parties in their own right after the satisfaction of certain conditions, including significant reductions in super-power nuclear forces.[3]

(iii) The United States does not control British or French forces, and has no operational release authority over them.

(iv) British and French forces are central systems intended to provide an ultimate deterrent against Soviet nuclear strikes directed at Britain and France; they could never plausibly be used for limited strikes against the Soviet Union, given the magnitude of Soviet nuclear superiority.

(v) The Soviet INF proposal equating British and French missiles with SS-20s in or 'intended for use' in Europe artificially excludes hundreds of comparable missiles on the Soviet side, to say nothing of Soviet aircraft, ICBMs and submarine-launched ballistic missiles (SLBMs) usable against Britain and France.

(vi) British and French forces cannot replace US forces as a guarantee for the Federal Republic of Germany and other non-nuclear members of Nato in Western Europe. Only US nuclear forces in Europe can provide a link with American strategic nuclear forces.

(vii) The ultimate intention of the Soviet Union appears to be to negotiate a new structure of European security, in which Soviet regional hegemony would be inevitable and conceded in the balance of forces. Following the removal of US intermediate-range nuclear forces from Europe, the Russians have declared themselves willing to negotiate the elimination of British and French nuclear forces as well. This would mean that no nuclear obstacles to Soviet dominance would remain in Europe.

[3] On the British position, see Roy Dean, 'The British nuclear deterrent and arms control', *The World Today*, September 1983. On the French position, see Jonathan Marcus and Bruce George, MP, 'The ambiguous consensus: French defence policy under Mitterrand', *ibid.*, October 1983; also Claude Cheysson's speech at the United Nations on 11 June 1982.

(viii) The premise of the Soviet argument for 'equality and equal security' ultimately amounts to an attempt to negotiate a new structure of global security, in which Russia would be accorded the right to strategic nuclear equality with the combined arsenals of the United States, Britain, France and China.

(ix) Raising the British and French forces as an issue is intended to distract public attention from the magnitude of Soviet superiority in INF and promote discord in the West by portraying Britain and France as the obstacles to an arms control agreement as well as the potential causes of a diminished US nuclear presence in Europe or an increased Soviet nuclear threat to Western Europe.

Despite some superficial amendments in Soviet proposals since February 1982, including Andropov's December 1982 initiatives and the June 1983 Warsaw Pact communiqué, there has been no substantial change in the Soviet negotiating position. All Soviet INF proposals since October 1979 have been aimed at reducing the credibility of US extended deterrence by banning almost all American intermediate-range nuclear forces from Europe and negotiating a permanent ceiling or ban on future INF deployments by Nato. In contrast, Soviet INF systems could be modernized and increased in number, and Western Europe would find growing Soviet INF superiority sanctioned by international treaty.

Implications of Nato's INF proposals

From 18 November 1981 to 30 March 1983, Nato's arms control proposal was the 'zero option': that is, no Pershing IIs or GLCMs would be deployed if the USSR dismantled its SS-4s, SS-5s, and SS-20s. On 30 March 1983, President Reagan announced that Nato would also be prepared to accept equal deployments at lower levels. The criteria for such an 'interim agreement' would be equality of rights and limits between the United States and the Soviet Union, no inclusion of or compensation for third-country systems, global rather than regional limitations, and verifiability. On 26 September 1983, President Reagan specified three further points regarding the interim agreement approach: first, the global limits on Soviet INF missiles would not be entirely matched by US deployments in Europe, though the United States would retain the right to deploy missiles elsewhere, perhaps in the US itself; second, the US would be willing to discuss limits on INF aircraft as well as missiles; and, third, in the context of reductions to equal levels, the US would reduce the number of Pershing IIs as well as GLCMs to be deployed in Europe. Even with these amendments, the 'interim agreement' may be just as unacceptable to the Soviet Union as the 'zero option', since it invites the Russians to consent to an INF deployment by Nato; by the same token, the Soviet Union would forfeit all attempts to mobilize Western public opinion against Nato deployments.[8]

From Nato's point of view, such an interim agreement could preserve the

safeguards of 'coupling' and extended deterrence which prompted the December 1979 decision, and serve as an interim step on the way to achieving the 'zero option'. Lothar Ruehl has suggested that the 'optimal solution of the problem for arms control' (i.e. the 'zero option') may not necessarily be 'the optimal solution for the balance of power' and the security of Western Europe:

> 'It is imperative for the security of those countries in the Western part of the continent, which stand in the shadows of Soviet missiles and bombers, tanks and guns, and are only a few early-warning minutes away from missiles stationed in West Russia, that an effective counter-threat exerts a reliable influence on the military success and risk calculations made by the Soviet leadership. In a state of conflict, every consideration of military options must show the risk of a war in Europe to be too great, even in the event of a clear superiority of Warsaw Pact countries in the field of offensive forces ready for use in Europe.'[4]

A key disadvantage of such an interim agreement is that reductions in SS-20 launchers would create greater problems of verification than their destruction. In addition to difficulties regarding the mobility of systems, which could only partly be resolved by insisting on global ceilings, the reload problem would be similar to that in START. Without on-site inspection of all launch sites, production and assembly lines and inventories for testing, a reduction in the number of SS-20 *launchers* could amount to an increase in the number of SS-20 *missiles*.

Moreover, the interim agreement could also turn out to be permanent; the 'zero option' goal might be abandoned in practice. Equality in the number of INF missile launchers would then probably mean operational inferiority for Nato. Pershing IIs and GLCMs are qualitatively equal to the SS-20s only in that all three types of systems fit into the broad category of longer-range INF, i.e. systems with a range between 1,000 and 5,500 km. By significant performance characteristics, the Pershing II–GLCM combination would be inferior to the SS-20. The Pershing IIs and GLCMs are inferior to the SS-20 in *range* by thousands of kilometers; in *survivability,* because of the greater peace-time mobility of the SS-20 (Nato depends on Soviet co-operation in providing warning time for the dispersal of its INF); and in *reloadability,* because Nato has deliberately decided not to have reloads, a decision that would be politically difficult to alter. In addition, the GLCMs are far inferior to the SS-20 in *flight time* and in their ability to *penetrate defences*. Operational (and numerical) inferiority is deemed irrelevant by those who consider that the main purpose of Nato's INF is to serve as 'coupling mechanisms' linking European security to US strategic nuclear forces.

Another hypothetical solution, called 'zero plus', would equal zero Nato intermediate-range forces with an undisturbed, or only cosmetically limited,

[4] Lothar Ruehl, 'Das strategische Angebot an die Sowjetunion', *Frankfurter Allgemeine Zeitung*, 4 March 1983.

Soviet INF arsenal. One can envisage Soviet proposals—e.g. relocating or even dismantling a number of SS-20s in return for cancellation of Nato's INF programme—that would be attractive to some in the West, yet would perpetuate Soviet INF superiority.

A final hypothetical solution would be the full deployment of Nato's planned 572 INF, with no limits on Soviet INF. This could also perpetuate Soviet INF superiority, given the deliberately planned numerical inferiority implicit in the December 1979 decision. Soviet superiority in longer-range INF missiles would be supplemented by Soviet superiority in INF aircraft and in shorter-range missiles such as the SS-21, SS-22 and SS-23.

Neither an 'interim agreement' on partial deployment of planned Nato intermediate-range nuclear forces nor a full deployment of 572 Pershing IIs and GLCMs would necessarily result in the 'extended deterrence' envisaged in December 1979. If the United States fails to reduce its vulnerability in ICBMs and does not remedy other strategic force deficiencies, the uncertainties affecting US credibility which became evident during the SALT process will almost certainly re-emerge. West Europeans might well ask why the United States should threaten to engage in limited INF strikes against the Soviet Union in a crisis when vital American nuclear forces—to say nothing of American society—are so vulnerable to Soviet retaliation.

Existing START/INF linkages

Both the Soviet Union and the United States regard the START and INF negotiations as closely interrelated. Nato's December 1979 decision assumed that limitations on intermediate-range nuclear forces would be negotiated in SALT III. The INF forum was established prior to START because, at the North Atlantic Council meeting in May 1981, West Germany and other European allies insisted that INF negotiations be initiated before the end of the year. None the less, the Nato allies agree that no definitive settlement is possible in either negotiation in isolation. START limitations could be circumvented in the absence of an INF agreement, and vice versa.

The Soviet Union has linked START to INF perhaps even more explicitly than Nato. The restrictions on arms modernization in the Soviet START proposals require cancellation of Nato's INF modernization programme. In January and October 1983, the Russians reportedly threatened to break off both negotiations if Nato proceeded with INF deployments. START and INF are also linked in the Soviet view because, whether US systems are based in Western Europe, the Far East or the continental United States, in Soviet eyes they are all 'strategic' if they can strike Russia.

Finally, START and INF remain linked so long as the United States and the Soviet Union have not fully agreed on which systems should be accountable in each negotiation. For example, the United States considers Backfire bombers to be accountable in START, while the Soviet Union apparently holds that (except for those in naval aviation) they constitute part of its arsenal accountable in the framework of INF talks.

A merger of START and INF?

Given the existing linkages between START and INF, it might appear logical to fuse them into a single negotiation. Arguments and counter-arguments might include the following points:

(i) A separate INF agreement might give the appearance of decoupling US nuclear guarantees from Western Europe by implying the existence of a level of nuclear forces distinct from those based in the United States, thus jeopardizing the credibility of extended deterrence. A contrary view is that combining START and INF would mean eliminating Nato's intermediate-range nuclear forces as a distinct military threat, thus conceptually subordinating Western Europe to the role of a US 'aircraft carrier' and 'launching pad', with any American INF in Europe seen merely as elements in a US strategic strike capability. In other words, the limited options in Nato's strategy of 'flexible response' would be undermined if the 'coupling' effects and escalatory risks presumed to derive from American INF were perceived as automatically integrated into a single strike plan.

(ii) A merger between START and INF could help to obscure other problems of perception that could arise with an INF balance sanctioned by treaty. *De facto* INF inferiority for Nato (under a regime of *de jure* equality) might well underline Western Europe's dependence on US strategic nuclear forces and thus reinforce the credibility of coupling and extended deterrence. On the other hand, such a situation could make Europe appear more vulnerable, if US–Soviet strategic nuclear parity was perceived as neutralizing the US guarantee. The security problem identified by the West German Chancellor, Helmut Schmidt, in 1977 thus could remain essentially unchanged or even be aggravated. Even numerical equality in INF could induce perceptions of insecurity, if Nato's operational inferiority in deployed systems was recognized as significant. Moreover, obscuring the visibility of problems does not mean solving them in any substantive sense.

(iii) To fuse START and INF would eliminate the European regional angle associated with INF. Nato could thus demonstrate even more clearly the necessity for global ceilings on the SS-20 and other Soviet INF. This would be advantageous for European security in that it could minimize the risks of geographical circumvention posed by the SS-20's mobility and range. International security and stability would be promoted by limiting Soviet nuclear threats to the Middle East and Asia. But the Soviet Union could none the less continue to argue for regional sub-ceilings, with a *de facto* result of Soviet superiority in various regions, despite possible *de jure* US rights to equal ceilings.

(iv) By providing more flexibility and freedom to mix between force levels now categorized separately as START and INF, their merger might expedite agreement. On the other hand, fusion could result in delays caused by complications in including many different types of forces in a single negotiation and establishing new terms of reference. An initial interim INF agreement might be reached more quickly on a separate basis, to be followed by a com-

plementary START accord. While missile throw-weight and bomber pay-load (considered separately) would have practical merit as units of account in combined negotiations, the Russians would probably continue to oppose classifications that make their areas of quantitative superiority too obvious. Claims that parity already exists are more useful to them for negotiating purposes.

(v) Merging START and INF could also hinder Soviet attempts to manipulate Western perceptions of the political significance of certain types of nuclear forces. The Soviet position during the SALT process was that US nuclear systems in Western Europe and the Far East capable of striking the Soviet Union were 'forward-based systems' that should be counted in the US strategic arsenal. Gerard Smith, head of the US SALT delegation from 1969 to 1972, reports that

> 'The Soviet delegation played skilfully and often on this FBS theme. We heard more about it than any other subject... Certainly they appreciated the potentially divisive effect on our North Atlantic and Pacific allies of this claim to include US aircraft committed to forward defense and to exclude the Soviet missiles threatening Western Europe and the Far East.'[3]

Keeping START and INF separate serves Soviet interests in that Russia's INF are excluded from START, while its INF superiority permits it to expect that an INF agreement would endorse this superiority politically. The Soviet Union could thus gain public recognition of bilateral parity on the intercontinental level in START, and recognition of superiority in INF in the European region. The current arrangement—intercontinental parity and regional superiority—adds up to Soviet overall superiority.

If, however, START and INF were merged, the self-serving Soviet definition of 'strategic' could be undermined. The legitimacy of Nato's INF deployment could be harder to dispute if the artificial START and INF categories were subsumed in a single negotiation. Soviet INF would become more obviously accountable, and the accountability of comparable US systems would help to legitimize their presence in Western Europe and elsewhere.

Because the Russians no doubt perceive the political potential of keeping the negotiations separate (thereby usefully focusing West European attention on INF), they may well oppose merging START and INF. Despite the advantage to them of establishing that what they have classified for a long time as FBS should be accountable, the disadvantage of seeing their comparable systems become no less accountable could constitute a setback for their political propaganda and negotiation strategy. Therefore, if the Soviet Union accepted a merger between START and INF, it would probably contend that such a merger represented American recognition of its view of US intermediate nuclear weapons as 'strategic' forward-based systems. At the same time, they might well argue, as in the past, that their INF should not be counted because they do not threaten directly the US homeland; the Soviet INF threat to US

[3] Gerard Smith, *Doubletalk: The Story of the First Strategic Arms Limitation Talks* (New York Doubleday, 1980), pp. 91–2.

allies and others in Eurasia would be, as always, minimized or even excluded as essentially non-negotiable.

(vi) Some West Europeans have suggested that an advantage in merging START and INF would be that third-party systems (British, French and even Chinese) could be more easily excluded, or that compensation for them could be less explicit. They argue that the Soviet Union has already received tacit compensation for such third-party capabilities in SALT I (for example, higher SLBM and ICBM ceilings) and SALT II (much higher *de facto* ballistic missile throw-weight, though not as a treaty provision). This argument, despite its pragmatic attractions for some observers, remains politically and strategically unsound because it endorses the Soviet principle of 'equal security', and thus grants legitimacy to the dangerous Soviet claim to military equality with the combined nuclear forces of the rest of the world.

(vii) A START/INF merger could encourage Soviet-American bilateralism at the expense of allies. Some West European observers have wondered, for example, if Russia might try to tempt America by proposing limitations that would substantially reduce the vulnerability of US intercontinental missiles in return for cancelling Nato's INF programme or eliminating the Pershing IIs from it. This anxiety seems misplaced, because it is improbable that the Soviet Union would voluntarily reduce American vulnerability which it has achieved with so much effort. None the less, some fear that, in a combined START/INF forum, the United States could be tempted to sacrifice US systems based in Europe as more vulnerable and less powerful than US-based systems, thereby neglecting the political significance of the coupling factor (or recognizing it but deliberately down-grading European-based US systems in an act of conscious decoupling). As during the SALT process, the United States could seem to be more interested in limiting the threat against North America than that against Western Europe.

For these reasons, some European observers have suggested that the terms of reference of a combined START/INF negotiation be defined with care. More specifically, the emerging consensus among conservative West Europeans in favour of at least some American deployments in Europe leads to preference for negotiating arrangements that would bar total abandonment of the American INF programme. Such arrangements could take the form of a requirement in the terms of reference for an INF sub-ceiling, perhaps to be determined by a collateral INF working group.

Another European view, more associated with the Left, argues that no land-based INF are necessary for extended deterrence or strategic stability. Rather than accept the risk-sharing inherent in deploying land-based INF in the interests of deterrence, these Europeans favour a more flexible combination of START and INF that would make it easier for the United States to elect not to deploy Europe-based INF.

(viii) West Europeans might also favour keeping START and INF separate in order to maximize US-West European consultations and exchanges of information, which are naturally more thorough regarding INF than START or

than they might be in combined START/INF negotiations. Some conservative Americans might also prefer maintaining two separate negotiating forums in order to confine West European influence essentially to INF and to minimize West European involvement in US START policy, since, in their view, West Europeans might be prepared to agree too readily to Soviet terms and thus jeopardize US objectives in the more important strategic arms forum. Conversely, the Russians might prefer a combined START/INF forum, if they share this view of Western Europe's likely moderating influence on American START policy.

This argument is relatively weak, not only because it is basically organizational and bureaucratic rather than substantive, but also because even INF consultations have been less than fully satisfactory in West European eyes. For example, Helmut Schmidt, West Germany's Chancellor until October 1982, strongly deplored the failure of the United States to consult its allies in July 1982 about the tentative 'walk-in-the-woods' agreement between the two chief negotiators, Nitze and Kvitsinsky: 'I was never consulted, nor were others, on the repudiation of that plan. As I interpret the interests of my country and the West as a whole, the walk-in-the-woods deal was totally acceptable.'[6]

(ix) Some observers have suggested that the United States might improve its negotiating leverage by a merger of START and INF, in that popular West European opposition to the deployment side of the December 1979 'two-track' decision (to deploy and to negotiate) has encouraged Soviet expectations of an advantageous solution outside the INF negotiations—i.e. little or no INF deployment by Nato and no negotiated limitations on Soviet INF. But would this situation really be altered by fusing START and INF?

(x) A START/INF merger might eliminate certain classification problems. The Backfires, for example, would be counted in a single negotiation, with no disagreement as to whether to place them in START or INF. The Russians would probably still argue for the exclusion of naval Backfires and for other preferential provisions.

(xi) The distinctions between START and INF are artificial because intercontinental-range systems can be applied to Eurasian targets. A number of Poseidon warheads, for instance, have been assigned to SACEUR (Supreme Allied Commander in Europe), and the Russians have allocated some ICBMs to Eurasian targets. The START and INF categories would not have much operational relevance in conflict.

(xii) Merging START and INF might be politically beneficial to the West by broadening the terms of the nuclear debate in Europe to more valid premises and, perhaps, making it more difficult for the Soviet Union and other op-

[6] Schmidt, cited in *International Herald Tribune*, 23 May 1983. West European nostalgia for this 'lost opportunity' to reach an INF accord could yet acquire mythological proportions, serving as a basis for bitterly reproaching the United States. The tendency is to blame the US rather than the USSR for the failure of the tentative agreement, though both Moscow and Washington rejected it.

ponents of Nato's 'two-track' decision to divert attention from Soviet nuclear force increases across the board.

Conclusion

Fusing START and INF should not be considered until 1984 at the earliest. Some observers, including the Soviet Union, might argue that a merger of the two would justify delaying the start of Nato's INF deployments in December 1983, even though Soviet deployments (notably of the SS-20 and the Backfire) have continued at a regular pace during the negotiations. If such deployments were delayed before the conclusion of an arms control agreement, the credibility of Nato's negotiating position would be severely undermined. On the other hand, the start of Nato deployments need not be an obstacle to further negotiations and eventual arms control agreements.

On balance, it would seem wisest to keep START and INF separate for the time being, while defining a conceptual framework for linking the two negotiations more explicitly, when and if this appears opportune. In the long run, more strategic and political considerations will tend to favour closely linking—if not fusing—START and INF than keeping them apart. The common conceptual framework should highlight the requirements of extended deterrence for each category of forces, despite the difficulties of achieving an alliance consensus on such requirements.

Whether START and INF are fused or kept separate matters less than maintaining the credibility of extended deterrence. Russia will not help the United States in this endeavour, because Soviet interests lie in eroding US extended deterrence. The Russians would, for example, benefit from protracting and increasing American ICBM vulnerability during the START process, and limiting or preventing Nato INF modernization, while avoiding or minimizing constraints on Soviet nuclear systems. Soviet aims and interests will not change, irrespective of whether START and INF are fused or kept separate.

Indeed, why should the Russians help the United States to deter them more effectively? The Soviet Union would prefer to try to convince West Europeans that the United States is an unreliable and inadequate security guarantor, and that Western Europe can better avoid war by co-operating with Soviet 'socialism' in building an 'all-European' system of 'military détente'. America's military and nuclear presence in Western Europe and its extended deterrent commitments backed up by survivable strategic nuclear forces constitute major obstacles to these objectives of Soviet regional dominance.

Since the Russians are unlikely in either START or INF negotiations to favour outcomes that promote more credible US capabilities, extended deterrence must be essentially preserved and reinforced by unilateral US actions that reduce ICBM and other strategic vulnerabilities and asymmetries, and through parallel alliance decisions in Europe. The financial and political obstacles to this course of action are obvious, but the alternative—continued erosion of extended deterrence—should be unacceptable to the United States and its allies. Recognizing the limits that Soviet interests place on what may be

civilian government in 1980 and then served the military regime as Deputy Prime Minister in charge of economic affairs until his resignation in June 1982; the Populist Party, formed by a retired civil servant, Necdet Calp, who had once served the Turkish statesman Ismet Inönü, and could thus claim a link with the oldest of the dissolved political parties—the Republican People's Party formed by the Republic's founder, Kemal Atatürk, and then led successively by Ismet Inönü and Bülent Ecevit. The third party to register was the Great Turkey Party, led formally by a retired general, Ali Fethi Esener, but organized by Hüsamettin Cindoruk, who headed the Istanbul organization of former Prime Minister Süleyman Demirel's dissolved Justice Party. The Great Turkey Party was assumed to be the continuation of the Justice Party, an assumption which was reinforced when Demirel's former Foreign Minister, Ihsan Sabri Çaglayangil, and other members of the JP joined it.

Two further parties were formed on 6 June. One was the Social Democracy Party (SODEP), headed by Ismet Inönü's son, Erdal Inönü, a nuclear physicist who resigned his chair at the University of the Bosphorus in order to enter politics. Although SODEP reflected the policies of the old Republican People's Party before its move to the left under Bülent Ecevit's leadership in the 1970s, and although Bülent Ecevit had let it be known that he considered a resumption of political activity futile under military tutelage, it attracted widespread support, particularly among intellectuals. The second party formed on 6 June was a right-wing group, the Lofty Duty Party, led by Baha Vefa Karatay, a former Turkish Ambassador to Baghdad. With SODEP totally eclipsing the Populist Party, the 'official' representative of the Left, the Turkish political scene a few weeks after the resumption of political activity consisted of a more or less united Left faced with a Right which was fragmented, but which might well have come under the domination of the Great Turkey Party. It looked, therefore, as if the third military intervention of 1980 would be as powerless to prevent the polarization of Turkish politics as had been the first intervention of 1960 and the second of 1971, and that the feud between the Republican People's Party and the Democrat Party in the 1950s, which continued in the 1960s and 1970s when the latter was replaced by the Justice Party, would reproduce itself in the 1980s in a struggle between SODEP and the Great Turkey Party.

Legal restrictions

It was this prospect which the military were determined to block by means of the new Constitution, new legislation regarding political parties and the new electoral law which followed it on 10 June. The law on Political Parties of 24 April 1983 is a detailed, not to say cumbersome instrument, running to 122 permanent and 12 provisional articles. While insisting that political parties are 'indispensable elements of democratic political life' (Article 4) and that they may be formed without prior permission within the framework of the Constitution and of relevant laws (Article 5), it subjects their formation, internal regulation and activity to a mass of bureaucratic requirements and restrictions

in an effort to ensure that they operate within the established system. The stipulations on the formation of parties give a flavour of the whole document. To qualify for registration, a political party must have at least thirty founders and must submit to the Ministry of the Interior a statement giving 'the name of the party to be formed, the address of its head office, the names, places and dates of birth of its founders, their educational record, their occupations and legal domiciles'; this statement must be signed by all the founders and must be accompanied by five (notarially certified) copies of the founders' identity papers, by their judicial records, by signed declarations by each founder that he is legally qualified to found a party, and by the party rule book and programme, signed by all the founders (Article 8). All important party records, including membership lists, must be filed with the Prosecutor General of the Republic (Article 10), who is charged with the supervision of political parties and can demand that any deficiency in documentation be made good (Article 9). If this demand is not met within thirty days, the Prosecutor General can file a suit before the Constitutional Court for the closure of the party. Public servants (in the widest sense), teachers and students of higher education, senior officers of charitable organizations, and persons convicted of a wide range of offences may not become members of a party (Article 11). Party leaders are to be elected for two-year terms and they may not serve more than six continuous terms, which must be followed by a break of at least four years (Article 15). The internal organization of parties and their revenues, accounts and activities are similarly subjected to the most detailed regulation.

The provisional articles debar specified groups of people (including leading former politicians) from becoming founders, officers or members of new parties. They also allow the National Security Council to vet party founders and disqualify them at its discretion (provisional Article 4).

Although the new Constitution and the Law on Political Parties sought to foresee every eventuality, neither document could provide grounds for the decision of the National Security Council on 31 May to close down the Great Turkey Party and exile two of its founders (as well as fourteen leading former politicians, including Mr Demirel and Mr Çaglayangil). True, the NSC invoked its discretionary powers, but it laid itself open to the charge of having violated its own Constitution (and while provisional Article 15 grants the NSC full retrospective legal immunity, it has been argued that this applies only to violations of the old, as distinct from the new Constitution).

While the Law on Political Parties proved useless for the purpose of eliminating the Great Turkey Party, it served to remove SODEP from the first electoral contest. Using its powers under provisional Article 4, the NSC on 23 June vetoed 21 out of the 36 founding members of the party, including its leader, Professor Erdal Inönü. Other founding members came forward, but some of these were also disqualified, so that by 24 August, the deadline set for the registration of parties for the elections, SODEP was still two short of the required minimum of thirty founders. The same tactic was used to eliminate a new right-wing party, the Right Path Party, to which supporters of the

dissolved Grand Turkey Party seemed inclined to transfer their allegiance. Smaller parties fell away: some were unable to complete the list of thirty founding members, others (including the Lofty Duty Party) were dissolved in proper legal form by the Constitutional Court for failure to comply with the law on political parties. Only three parties—the 'official' right-wing party (General Sunalp's National Democracy Party), the 'unofficial' right-wing party (Turgut Özal's Motherland Party) and the 'official' left-wing party (Necdet Calp's Populist Party) were left to compete in the elections on 6 November. However, after the deadline for participation in the elections had expired, both SODEP and the Right Path Party were allowed to put forward further founding members and were thus registered. Shortly afterwards, a Bill was introduced into the Consultative Assembly stipulating that parties which had not registered in time for the general elections would not be able to take part in the local government elections which were to follow after a year's interval. (At the time of writing, the Bill is still under discussion.)

Although all criticism of NSC decisions is banned, some objections were raised in the press. As a result, two mass-circulation Istanbul newspapers, the right-wing *Tercüman* and the liberal *Milliyet*, were both banned for a time, the latter for carrying a critical article by Erdal Inönü's brother-in-law, the well-known journalist and former Senator, Metin Toker. Metin Toker was given a three-month sentence for voicing his criticisms, while proceedings were also instituted against Erdal Inönü for uttering critical remarks.

The NSC then investigated the parliamentary candidates put forward by the three parties and also independent candidates. On 21 September it announced that it had rejected 89 candidates of the Populist Party, 81 of the Motherland Party and 74 of the Nationalist Democracy Party, as well as 428 of the 475 independent candidates. Many of the latter represented the mainstream right wing which had vainly sought a vehicle in the Grand Turkey and the Right Path Parties. However, Mr Bülent Ulusu, who had served the NSC as Prime Minister since the military take-over, was allowed to remain an independent candidate on the list of the Nationalist Democracy Party. While disqualified independent candidates were eliminated finally, the three political parties could produce new names to replace disqualified candidates. Although some of the substitutes were also vetoed, the three parties were able finally to complete their panel of candidates.

The new Electoral Law

The elections, which the three remaining parties are contesting, will be held under a new Electoral Law gazetted on 13 June. Like the old law, this provides for proportional representation on a provincial basis, except that the more populous provinces have been sub-divided, since no single constituency may now return more than seven members. Furthermore, parties which fail to obtain 10 per cent of the poll nation-wide, will not qualify for the distribution of seats in any constituency. The new electoral threshold and the whittling down of large constituencies are clearly intended to prevent the emergence of small

minority parties. The new law also provides for preference votes, but not for the first elections on 6 November, which will be fought on the basis of party lists. Registered electors who fail to vote in the first general elections will be fined TL 2,500 (approximately £7), without right of appeal (Article 63). The law includes also provisions for an impartial supervision of the polling, the counting of votes and the promulgation of results, and there is no reason to doubt that these provisions will be respected. Thus, while Turkish citizens have not been allowed to organize in all the parties of their choice, and while the parties have not been able to put forward all the candidates of their choice, electors may well be free to choose among parties and candidates approved by the National Security Council.

In these conditions, attention will be focused on the performance of the one 'unofficial' party—the Motherland Party of Mr Turgut Özal. The fact that it has been allowed to complete its panel of founders in time, and that it has not been crippled by the disqualification of an unduly large number of its parliamentary candidates, suggests that the NSC is prepared to work with it. Abroad, Mr Özal has been widely praised, particularly in financial circles, as a consistent architect of a successful, orthodox recovery programme, which reduced inflation from 100 to 30 per cent, increased exports and thus raised Turkey's credit rating. At home, his record has probably endeared him to those Turks who believe in free enterprise as the only basis for prosperity. In addition, he is reputed to be a pious Muslim, and his brother was a leading member of the dissolved fundamentalist National Salvation Party. However, those Turks, particularly among the large salaried class, whose standard of living has been drastically lowered by Turgut Özal, have little cause to be grateful to him, while the considerable Shia minority will look askance at his orthodox Sunni credentials. It remains to be seen whether these disadvantages will be outweighed by the genuine popular character of the Motherland Party, as compared with the perceived artificiality of the Nationalist Democracy and Populist parties. It has been argued, on the other hand, that the National Security Council and, in particular, President Kenan Evren have not exhausted the fund of gratitude which they had earned by re-establishing law and order in the country, and that gratitude will be reflected in votes cast for the Nationalist Democracy Party. Furthermore, it is argued that Turks denied the party of their choice would vote for the Nationalist Democracy Party as the party closest to military power and to the benefits which it can confer, rather than for parties towards which they are indifferent. All these hypotheses will be tested on 6 November. In view of the penalties decreed for non-voters, participation will obviously be high. It is, of course, possible for voters to spoil their ballot papers, and this has been advocated by the Turkish Communist Party in its broadcasts from Eastern Europe. But similar appeals at the time of the constitutional referendum, and rumours that the old political leaders, and in particular the last civilian Prime Minister, Mr Süleyman Demirel, had favoured such a course, failed to produce results. The Constitution was approved overwhelmingly, not least because its rejection was seen as entailing the

indefinite continuation of untrammelled military rule. Similarly, electors may not be deeply stirred by the choice offered to them in parliamentary elections, but they are likely to make the best possible use of that choice.

By 6 November the basic legislation required to implement the Constitution will have been enacted. Laws on the organization of higher education, on labour relations and on public meetings have already been passed; a new press law has been approved by the Consultative Assembly and, at the time of writing, awaits endorsement (and, possibly, amendment) by the National Security Council. All these legal instruments have a common aim in outlawing any activity against the system— defined as a unitary, nationalist, secular state governed in accordance with Atatürk's principles and providing for the preservation of a mixed economy, within which the public sector undertakes such tasks as private enterprise cannot discharge. They also aim at the elimination from public life—the civil service, politics, higher education and the press—of offenders against the system and its laws, including, of course, criminal laws, even 'if amnestied'. (Thus Article 11 of the Electoral Law bans from Parliament anyone who has been sentenced to more than a year in prison, as well as many others, including those who have not completed their primary education or have not performed their military service.) Attributing the country's troubles under previous parliamentary regimes to the immorality of people in public life, President Evren and his fellow-generals seem determined that not a whiff of scandal should attach itself to the rulers and guides of the Third Turkish Republic.

The military dispositions for the future government of Turkey have found little favour in the liberal West. On 30 September, the Turkish Foreign Minister, Mr Ilter Türkmen, criticized a resolution by the Consultative Assembly of the Council of Europe rejecting in advance the credentials of members of the Turkish Parliament to be elected on 6 November. Refusal to recognize the forthcoming elections as a proper expression of democracy can have serious consequences, since it could bar the way to Turkey's full membership of the European Community, for which the new Turkish government is likely to apply.

In Turkey, the majority view of the Council of Europe is shared by those old politicians who have been disqualified from taking part in political life for the next five or ten years. Documents purporting to express the views of Mr Süleyman Demirel and of both right-wing and left-wing politicians detained with him have circulated in the West. They denounce NSC laws and edicts as tyrannical and reject the democratic credentials of what they term 'Evrenism'. Nevertheless, Mr Demirel and his companions were set free on 30 September. This suggests that the military believe that the former political leaders can no longer affect the planned political process, at least in the immediate future.

Among politicians who have not been disqualified, and also among academics and journalists who have not been dismissed, the prevalent attitude has been one of accommodation, coupled with a careful probing of military intentions. Even Professor Erdal Inönü sounded out President Evren's intentions

before deciding to found SODEP. Every time a political initative has been blocked, hopeful politicians have scanned the generals' legislation for possible loopholes. But as often as not, when such loopholes were found, the generals blocked them, using their discretionary power without attempting explanations. However, these discretionary powers will be largely lost after 6 November. The complicated edifice put together by the National Security Council will then be tested, and one will be able to judge whether the travail of the last three years has indeed achieved the aim, defined by President Evren on 12 September, as 'a healthy and sound democracy. . . securing our unity, solidarity and integrity.'[2]

[2] The result of the elections will be analysed in the December issue of *The World Today*—Ed.

PASOK in power: rendezvous with history or with reality?

RICHARD CLOGG

LAST month, Andreas Papandreou's Panhellenic Socialist Movement (PASOK) celebrated with appropriate pomp (and in the presence of several European socialist leaders) the second anniversary of its convincing victory in the elections of 1981, when a 48 per cent share of the votes resulted in a comfortable majority of 172 in a 300-seat parliament.[1] PASOK enthusiasts dubbed the 1981 triumph a 'rendezvous with history', while the opposition prefers to describe it as a 'rendezvous with reality'. Even if there is a strong feeling in Athens that Mr Papandreou will go to the polls before the end of the normal four-year term, perhaps indeed as early as June 1984, notionally, at least this is PASOK's mid-term. This, therefore, is perhaps an appropriate occasion to make some kind of provisional assessment of the first socialist government in Greece's history.

The rise to power of PASOK—a 'movement' as it has always insisted rather than a mere 'party'—has been astonishingly rapid, given that it was founded as recently as nine years ago, in the immediate aftermath of the collapse of the Colonels' dictatorship. Its founding statement of fundamental principles of 3 September 1974 continues to constitute the authentic exposition of the movement's objectives, namely national independence, popular sovereignty and social liberation.

Replete with radical socialist rhetoric, it declared Greece to have been the victim of the imperialistic designs of the Pentagon and of Nato, and its economy the object of plunder by the multinationals. In the 1974 elections, PASOK came third with a 14 per cent share of the vote, in contrast to the massive 54 per cent share of Konstantinos Karamanlis's New Democracy (ND) and the 21 per cent received by the traditional centre. But if PASOK's 1974 performance was essentially modest, Andreas Papandreou had triumphantly succeeded in his basic strategy. This was to establish for PASOK an identity essentially different from that of the traditional centre, which had been led by his father, George Papandreou, in the years before the establishment of the Colonels' dictatorship in 1967 and had been the vehicle for his own first entry on to the Greek political stage.

PASOK's early years were to be characterized by a flamboyant anti-Ame-

[1] For a detailed analysis of the 1981 election, see George Th. Mavrogordatos, *The Rise of the Green Sun: The Greek Election of 1981*, Centre of Contemporary Greek Studies, King's College, Occasional Paper No. 1 (London, 1983), obtainable from the Department of Byzantine and Modern Greek Studies, King's College, London WC2R 2LS.

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rican, anti-EEC, anti-Nato, anti-Turkish stance which contrasted sharply with the lack-lustre performance put up by the official opposition, George Mavros's Centre Union. In the preliminaries to the 1977 elections, there was a discernible softening in Papandreou's line on a number of key issues as he strove to displace Mavros as the leader of the opposition. This strategy once again proved successful, for PASOK's share of the vote virtually doubled to 25 per cent, while the traditional centre, after being pushed into third place, rapidly disintegrated. In the run-up to the 1981 election, there was a further significant moderation of PASOK's policies on a number of key issues, as it now sought to project itself as a potential party of government. The earlier categorical commitments to pull Greece out of Nato and the EEC and to close down the American bases were qualified in such a way as to leave all options open.[2]

Moreover, the ruling New Democracy party under the leadership of George Rallis proved quite incapable of countering PASOK's promise of *Allagi* (Change), of a radical domestic transformation and of a determined effort to assert Greece's independence in the conduct of its external relations. PASOK's 'catch-all' programme ranged from promises to abolish the much feared and highly competitive university entrance examinations to the elimination of the *nefos* or smog which blankets Athens for much of the year and which, the electors were assured, would depart along with the Right. (Cynical ecologists have now termed the continuing smog the *sosialistiko nefos.*) Faced with a choice between a party which, as it appeared, had a clear vision of the future, and a party in power which had clearly lost its way, it is not surprising that PASOK swept to victory with a 48 per cent share of the vote.

In its early years, PASOK was sometimes described as a party of rural protest and Papandreou himself as a potential Greek Stamboliski.[3] But with hindsight it is clear that Papandreou's political genius has been the ability to articulate, and to cloak with an impressive mantle of socialist rhetoric, the aspirations, and perhaps more especially, the frustrations of those hundreds of thousands of Greeks who in the post-war period have migrated to the towns. They came in pursuit of some kind of position, preferably in the public sector where salaries may be low but job security is high, and life for them has been, and remains, a continuing struggle in the face of unrelenting inflation, a deteriorating environment and wholly inadequate educational, welfare and health provision. The often strident rhetoric, with its distinctly populist overtones, of Mr Papandreou and his supporters accurately reflects the xenophobia, the anti-capitalist and anti-bourgeois mentality of these recent migrants from the provinces. PASOK's electoral base appears to be firmly rooted in the urban lower-middle class, with Greece's small urban proletariat, in the traditional Marxist sense, remaining strikingly, even pathetically, loyal to the Communist Party of Greece (KKE).

[2] See Richard Clogg, 'Greece: the year of the Green Sun', *The World Today*, November 1981.

[3] The reference is to the Bulgarian peasant leader, Alexander Stamboliski, who came to power in the wake of Bulgaria's defeat in the First World War, having brought about the abdication of King Ferdinand.

Deteriorating economy

PASOK's impressive victory in 1981 clearly raised high, and indeed excessive, expectations. Once in power, Mr Papandreou lost no time in arguing, and with some justification, that the profligate policies of the outgoing New Democracy government and the unfavourable international economic climate had critically impeded his freedom of manoeuvre, and that the implementation of his electoral promises would require at least two full four-year parliamentary terms. The seriousness of the deterioration in Greece's economic situation is not in doubt. It is characterized by a continuing rate of inflation of over 20 per cent: an unemployment rate approaching 10 per cent (particularly harshly felt in a country with no recent experience of unemployment on a significant scale and in which unemployment benefits are meagre); low investment prompted, in part at least, by fears as to the possible implications of PASOK's 'socialization' plans; low productivity and a marked decline in receipts from two traditional props of the balance of payments, shipping and tourism. For the first time in many years, property prices are falling, a sure sign of economic crisis in a society in which investment in bricks and mortar (more often the latter) has long been viewed as the only sure hedge against hard times. The economic impasse has forced some very tough measures on the government. The indexation of wages and salaries, one of the most appealing of PASOK's campaign promises in a country plagued by years of high inflation, has fallen by the wayside, to be replaced by a harsh wage freeze, coupled with legislation severely circumscribing the right to strike for those employed in Greece's massive state sector.

Moves in the direction of the 'socialization' of key sectors of the economy, making enterprises more responsive to the needs of their employees, consumers and local and central government, have so far been on a limited scale, although there have recently been indications that 'big business' is being made the scapegoat for the government's mounting economic difficulties. Only a few days after Mr Papandreou appeared to be holding out an olive branch to industrialists in a speech at the Thessaloniki Trade Fair, the government suddenly announced, before legal proceedings had been initiated, that it had evidence of serious malpractices on the part of thirteen directors of the AGET/Iraklis cement company, one of the largest, most profitable and most export-orientated of Greek industrial enterprises. The original board resigned, to be replaced by a board nominated by the state-owned National Bank of Greece, a move that in effect has proved to be a form of back-door socialization. A number of other 'lame duck' enterprises, heavily indebted to the largely state-controlled banks, have also been brought under effective government control. The pro-government press, perhaps as large as 70 per cent in terms of circulation, has also been engaged in a witch hunt to uncover the large numbers of businessmen claimed to have illegal accounts in Swiss banks. Whatever the truth of these allegations, the Iraklis affair and the accompanying attacks on big business have scarcely increased investment confidence.

Financial constraints have critically impeded the government's freedom of

manoeuvre in carrying out major structural reforms. As a result, many of th reforms that have been implemented have been low-cost and cosmetic, albei in many cases long overdue. These have included the introduction of th *'monotoniko systima'*, a drastic simplification in the use of accents; the legal ization of civil marriage (against the strong opposition of the Church); the ir troduction of divorce by consent; the ending, notionally at least, of the dowr system; the removal of adultery from the catalogue of criminal offences; th official recognition of the wartime resistance against the Axis; and the grant ing of blanket permission to return to Greece to Communists who fled t the Eastern bloc in the aftermath of the 1946–9 civil war. More fundamenta domestic reforms have also been undertaken. These include measures to brea the traditional authority of the professoriate in the universities, and to ve decision-making powers in the academic departments, in whose affai students are henceforth to have a greater say. Critics of this particular legisla tion, however, argue that it has simply compounded the chaos that ha bedevilled higher education for many years past. Legislation has also been in troduced to create the basis of a national health service, a move which has me with stiff opposition from the doctors, of whom Greece has more per head c population than any country in Europe.

New style in foreign affairs

Until recently, such changes as occurred in the field of foreign affairs hav also been more in style than in substance, belying the fears of PASOK' opponents that a Papandreou government would presage a major shift i Greece's external relations. It soon became apparent, as indeed had alread been clear even before the elections, that Mr Papandreou had no intention c leaving either the European Community or the Atlantic Alliance. The officia EEC response to the Greek memorandum requesting the re-negotiation c some of the terms of accession is still awaited and it remains to be seen whethe the controversy over Greece's handling of the Presidency will have any advers effect on these negotiations. Initially, the new orientation in foreign polic was expressed in terms of rhetorical flourishes such as support for the notio of a nuclear-free zone in the Balkans; the breaking of ranks with Nato ove sanctions against Poland (coupled with a curiously benign attitude toward General Jaruzelski's military dicatorship); and a hyperbolic degree of suppo for the Palestinian leader Yasser Arafat.

But recently there have been more substantial developments, most notabl of course, the signing, after protracted negotiations, of an agreement with th United States over the status and future of the US bases. The announcement o the agreement was the pretext for the PASOK party organization to plaste Athens with slogans declaring 'At last an end to dependence . . . the struggle i being vindicated', while *Exormisi*, the party weekly, trumpeted that the base would close in 1988. The agreement itself, however, clearly states that whil either party may in 1988 set in motion the process of closing the bases, 198 will not necessarily see their demise. Everything clearly hinges on the politic

complexion of the party then in power in Athens. Moreover, a number of uncertainties remain to be resolved, in particular the question of extra-territorial jurisdiction, an issue on which Greek sensitivities are naturally strong.

The other big issue has been the Greek presidency of the EEC and notably the handling of the meeting of the European Community's Foreign Ministers in Athens in mid-September in the wake of the Korean jumbo jet disaster. The determination of the Greek Foreign Minister, Yannis Haralambopoulos, to stifle any criticism of the Soviet government, his attempt to raise once again the question of a six-month delay in the deployment of cruise and Pershing missiles, and his eagerness to 'normalize' relations with the Polish military junta may have incensed his EEC partners but they appear to have been well received at home by PASOK supporters, who were informed that all the fuss had been whipped up by international and domestic 'reaction'. Cocking a snook at the West in general, and the US in particular, but not the Soviet Union, is a persistent theme of the pro-government press. Even the issue of the return of the Elgin marbles is seen by PASOK as essentially an opportunity to embarrass a 'reactionary' government. This 'nationally proud stance' pleases the Communists who, even if their electoral potential remains limited, are well entrenched in the trade unions and whose acquiescence, if not support, is crucial if PASOK's efforts at economic stabilization are not to be sabotaged by strikes. Mr Papandreou, indeed, has recently gone on record as declaring that, unless the economic problem can be solved, his government can scarcely survive.[4]

Traditional mores

But undoubtedly the most interesting aspect of the PASOK phenomenon lies not in cataloguing its successes and failures (and there have been some of the former, particularly in the field of decentralization; in the attempt to eliminate *polythesia* or institutionalized moonlighting; and in an administration notably free of financial scandal) but in the style of Mr Papandreou's government. For all its superficial modernity, with a degree of party organization hitherto unheard of outside the far Left, and with its formidable ideological panoply, PASOK is in many respects very much in the tradition of Greek politics. This is most apparent in the way in which the party depends absolutely for its leadership on the charismatic Papandreou, without whose personal prestige it is difficult to imagine it surviving. It is significant in this respect that no party congress—according to PASOK's constitution, the sovereign decision-making body—has yet been convened, despite the fact that the party has been in existence for nine years. Repeatedly postponed, a party congress is now promised for early in 1984, although, if elections are held next year, this would provide a convenient pretext for yet another postonement. PASOK is highly traditional, too, in the way in which members of Papandreou's own family and old cronies hold key positions in government and party. One em-

[4] *Kathimerini*, 4 October 1983.

bittered former PASOK deputy indeed has just brought out a book entitled *The Papandreou Dynasty*. Again it is conforming to old political norms in seeking to pack the state machine with its own supporters and in the degree to which it regards those who are not for PASOK as necessarily being against it.

Indeed, the identification of party and state is uncomfortably reminiscent of the behaviour of the unreconstructed Right before 1963. Melina Mercouri the Minister of Culture, has recently claimed that the days of *rousfeti*, that reciprocal dispensation of favours which has traditionally oiled the wheels of government in Greece, and old style *kommatismos*, or patronage politics, are over and that Greece under PASOK is the very model of a meritocracy.[5] This is far from being the case. Patronage continues to constitute one of the cardinal features of the Greek political system. What is, however, different is that, whereas in the bad old days patronage was mediated through the *tzakia*, the political barons with strong local ties, patronage is now exercised through a well-oiled party machine over which Mr Papandreou exercises a tight, even ruthless, control. Party control over individual deputies has been further strengthened by the abolition of the *diastravrosi*, or preference voting. Deputies and party cadres who wander from the party line or who dare to express serious doubts about PASOK's deviations from the straight and narrow path of *allagi*, soon find themselves expelled from the party, or rather, as the jargon goes, that 'they have placed themselves outside the movement'. The supremacy of the party machine has resulted in a tendency to underplay the importance of Parliament, to regard it as a mere rubber stamp for decisions reached by the party. Critics have dubbed this distinctive governmental style '*neopalaiokommatismos*' or 'new old partyism'.

The experience of two years of the Greek 'third road' to socialism has undoubtedly given rise to considerable disenchantment, both on the part of PASOK voters, disappointed that the instant solutions to the country's various economic and social problems that were promised have not so far materialized, as well as, predictably, on the part of its opponents on the Right. The results of the local elections in October 1982 had already demonstrated a significant falling off in support, with the Greek Communist Party and, to a lesser extent, New Democracy picking up the votes of disenchanted PASOK supporters. Unless, and this at the moment appears unlikely, there is some major upturn in the economic situation, PASOK's share of the popular vote is likely to be further eroded in next June's elections to the European Parliament. (Even in 1981 PASOK's share of the vote in the European election was 40 per cent—in contrast with the 48 per cent achieved in the national election.)

Some observers feel that Mr Papandreou, fearful that any dramatic fall in PASOK's share of the vote in the European elections might have repercussions in elections held at the end of the normal four-year term in 1985, will be tempted to hold national elections concurrently with the European poll. Mr Papandreou has himself declared that PASOK intends to see out its full four-year term, and the President, Mr Karamanlis, who would have to give his

[5] *Tachydromos*, 25 August 1983.

assent to an early election, has stated that what Greece needs at the moment is hard work, not elections. None the less, the attractions of such a move must be considerable. For despite an obvious drop in morale among PASOK supporters, New Democracy, under the leadership of the 73-year-old Evangelos Averoff, scarcely constitutes a credible opposition. New Democracy's best hope of staging a return clearly lies in projecting a moderate, centre-right image which might win back to the fold wavering PASOK voters. Even assuming that Mr Averoff is ousted from the leadership of New Democracy, and this is a major assumption, there is no obvious successor in sight who might be able to recapture some of the middle ground on behalf of the Right.

Perhaps the most likely contender for the succession, Konstantinos Mitsotakis, a former leading centrist politician, is compromised in the eyes of many former centre voters by his association with the apostates who defected from George Papandreou's Centre Union in the great crisis of 1965-7. Moreover, as a latecomer to the ranks of New Democracy, Mitsotakis has still to work his passage with the party's right wing. In any national election, the KKE might be expected to benefit from the votes of disenchanted PASOK militants on the left of the party. But whether such an accession of support would be enough to boost its share of the vote to the critical 17 per cent demanded by the existing system of 'reinforced' proportional representation is uncertain. In the 1981 campaign, PASOK made a clear commitment to introduce a system of simple proportional representation. But it is noteworthy that, although pledges to reduce the voting age and to abolish preference voting have been implemented, so far there has been no move to introduce simple proportional representation. Indeed, there is talk in PASOK circles of simply tinkering with the existing system of 'reinforced' proportional representation. Under a more truly proportional system, PASOK, given the disarray of New Democracy and the 'ghettoization' of the Communist Party, might still hope to emerge with the largest share of the vote but without an overall majority in Parliament. Some right-wingers are even talking of a possible PASOK-KKE coalition emerging from the next elections and see PASOK's manifest unwillingness to offend the Soviet Union, to which the KKE retains an almost touching loyalty, as forming part of such a ground plan. The chances of such a coalition, however, even given PASOK's clear and understandable wish to cling to power if at all possible, must still remain an unlikely outcome, given the totally unreconstructed nature of the KKE. All that can be said with any certainty is that Greek politics have lost none of their old fascination and that the next eighteen months may witness some interesting, and even surprising, developments.

Lebanon's struggle for survival

GEOFFREY BOWDER

THE Israeli invasion of June 1982 opened yet another chapter of violence in Lebanon's recent history, and despite earlier indications to the contrary, only succeeded in exacerbating the country's many complex problems. By its open support for the militant Christians of the Lebanese Front and its co-operation with their militias, Israel did much in the year following the invasion to encourage a high-handed attitude by these Christians towards their Muslim compatriots. By permitting Christian militias to occupy parts of a predominantly Druze area in the Shouf mountains under its control, Israel, whether it realized it or not, was lighting the slow fuse of sectarian strife in a part of the country which had previously avoided serious fighting even during the worst days of the 1975/6 civil war. The withdrawal of Israeli forces from this politically sensitive area carried out during the night of 4 September with minimal co-ordination with the Lebanese authorities resulted in an upsurge of violence which involved not only the main parties in the Shouf dispute, the Druze and Lebanese Forces militias and the Lebanese Army and Air Force, but also elements of the Multinational Force (MNF) and the Syrians. The fighting, which escalated rapidly, extended to the streets of the capital Beirut which witnessed heavy clashes between the Army and the Shi'ite militia Amal, allies of the Druze. The violence, which continued for three weeks, was eventually brought under control by the Saudi-sponsored ceasefire of 26 September.

In the early stages following the Israeli invasion, it had seemed possible that, with the infrastructure of the main Palestine Liberation Organization (PLO) in Lebanon smashed, the Syrian Army pushed back towards its own frontiers and a strong Israeli army of occupation in support of a new central government determined to reassert its authority, there might be some chance of breaking the mould of recent Lebanese politics. But the fragile hopes of autumn 1982 proved illusory. The long-drawn-out withdrawal negotiations with Israel slowed the momentum towards a return to normality within the country. And even when the withdrawal agreement was eventually signed on 17 May 1983, it was immediately opposed by Syria, which objected to the clause providing for an Israeli security zone in south Lebanon that would bring Israeli troops on joint patrol to within twenty miles of Damascus. The opposition of Syria, an important factor in any genuine, comprehensive Lebanese settlement provided early warning of the difficulties that lay ahead.

The concentration of government attention on the Israeli withdrawal negotiations and on ways of ridding the country of its other foreign armies of

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occupation—the Syrians and the PLO in the north and east of the country—had been at the expense of internal issues whose inner dynamic continued to inflame the feelings of certain sections of the community, such as the Druze and the Shi'ites. President Gemayel's government in its first heady weeks of power set itself the task of attempting to re-establish state authority though the powers of its new American-trained army and the supportive presence of units of the MNF drawn from the United States, Britain, France and Italy. In greater Beirut which once again became a unified city, government authorities were, in the early stages, markedly successful, but in the mountainous area of the Shouf to the south-east of the capital, they immediately encountered stiff opposition from its Druze inhabitants.

The Shouf provides a microcosm of some of the internal problems which the government must surmount if Lebanon is ever to achieve stability. The area is a classic example of a small, in this case predominantly Druze, community of around 200,000 which felt itself threatened in its ancestral homeland and was determined to resist forcefully any attempts at occupation of its areas by the forces of a government which they believed was biased in favour of the rightist Phalange party, with whose militia they had already clashed on several occasions. The Druze leader, Walid Jumblatt, has long insisted that national political reconciliation among adversaries of the civil war must precede Army occupation of Druze areas. His ideas, which until recently attracted strong government opposition, found a sympathetic response among several leftist or pro-Syrian groups whose political standing was seriously weakened in the overwhelming rightist ascendancy resulting from the Israeli invasion.

Opposition anxieties

Though the President himself appears to have wide general support in much of the country, political observers have long feared that he is not in full control of extremist elements within his own Phalange party who have been tightening their grip in government controlled areas by placing their supporters in important posts, by stationing militia units of the Lebanese Forces in sensitive locations and by discreetly manipulating the state information media to their own advantage. Opposition to these aspects of President Gemayel's rule was at first muted, but began to grow after 24 July when Jumblatt announced the setting-up of a National Salvation Front (NSF) which united most opponents of the regime and had the support of the Christian ex-president Frangieh, the Muslim ex-Prime Minister Karami and a number of lesser-known leftist leaders. It also had the active backing of Syria whose logistic support for the Druze was to prove a vital factor in the recent clashes between the mainly Druze Progressive Socialist Party (PSP) militia and its supporters and the Lebanese Army and Lebanese Forces militia. Apart from the opposition of the groups and personalities mentioned above, there was mounting evidence of much unease among the Muslims of Lebanon as a whole over the general drift of government policies. These fears were cogently expressed by the Sunni Mufti of Lebanon, Hasan Khaled, during prayers marking the end of Rama-

dhan on 11 July. Addressing one of the largest Muslim gatherings of recent years in Beirut, the Mufti called on the government to adopt an even-handed approach to its treatment of Christians and Muslims. 'Do not,' he said, 'weigh Lebanon with two sets of scales.'[1]

Muslim unease over the policies of the pro-Phalange government grew with the latter's refusal to disarm the Christian militias of East Beirut and remove them from the streets, where they were still to be seen manning checkpoints. Further evidence in Muslim eyes of government partiality came when the Lebanese Army, having disarmed the Muslim militias of West Beirut, was ordered into action first against fellow Muslim members of the heterodox Druze sect in the nearby mountain town of Aley on 14 July and on the following day against Shi'ite squatters in the Wadi Abou Jamil district of Beirut. More recently, Army actions taken against the population of West Beirut prompted the respected former Prime Minister, Dr Selim al-Hoss, to declare that 'the majority of the people [in Muslim West Beirut] now feel like aliens in their own country.'[2] There was some justification for Muslim anxiety but when these incidents are viewed over the long term, they can be seen as just another swing in the seesaw of Lebanese politics, with the activities of the pro-Phalange government compensating to some extent for the hardships suffered by the Maronites of the Christian heartland during the years of the Syrian-dominated Sarkis government. It is a process which will continue until Lebanon moves away from confessionalism to a more secular form of government.

Sectarianism

The country's endemic core of instability stems from its sectarianism which is officially sanctioned and perpetuated by a system that allocates posts in the government, civil service, army and judiciary not on merit but by religious affiliation. Among the general public, therefore, sectarian loyalties tend to predominate over those of the nation, thus weakening the fabric of Lebanese society and encouraging confessional interests at the expense of national unity. The system also has the effect of thwarting the politically ambitious who, because they may not be Maronites, Sunnis or Shi'ites, are debarred from top government posts. It is no coincidence that many of the country's radical movements are led by men who belong to Lebanon's remaining thirteen officially recognized sects. While the sharing of posts in public life between Christians and Muslims in the ratio of six to five bore some relation to the demographic realities of 1943, the year in which the National Covenant, Lebanon's unwritten Constitution, was agreed, the position forty years later has changed considerably—according to the latest estimates,[3] Muslims (excluding those of refugee status) probably account for 60 per cent of the population.

These new realities must be taken into account if Lebanon is to have a

[1] *Monday Morning* (Beirut English-language weekly), Vol. XII, No. 575, July 1983, p. 20.
[2] *The Guardian*, 1 September 1983.
[3] See Daniel Pipes, 'The real problem', *Foreign Policy*, No. 51, Summer 1983, p. 144.

chance of stable government. The recent fighting in the Shouf has clearly showed that opposition forces of the NSF have the means, with Syrian backing, to prolong the conflict; therefore, any attempt at a military solution of Lebanon's problems is unlikely to succeed. At the time of writing, the only faint hope for the future lies in the holding of a national reconciliation conference which brings together all shades of opinion in the country in an effort to heal the rifts between the various communities. It is hoped that Prime Minister Wazzan's resignation, submitted on 26 September, may signal the end of the pro-Phalangist administration and the eventual emergence of a more representative government in Beirut. However desirable this may be, past experience has shown that ceasefires seldom hold in Lebanon and that previous attempts at achieving a national consensus, such as the Beiteddin Conference in 1978, have all foundered. The failures have stemmed partly from an inability to overcome latent animosities and prejudices among Lebanon's communities and partly from the difficulty of reconciling the demands of outside powers wishing to preserve their influence in Lebanon.

Syrian and Israeli aims

Externally, the country has been most influenced in recent years by two foreign powers, Israel and Syria. Internally, it is divided between two main groupings—loosely speaking, rightists and leftists—who are, on the whole, attentive to the policy aims of their respective backers, Israel and Syria, and their allies. Lebanon's domestic rivalries are, therefore, inextricably linked to regional problems, not only those of the countries bordering it but those of Iran, Iraq and Libya as well. They can never be satisfactorily settled without some movement towards an overall peace settlement in the region. Syria sees its occupation of parts of Lebanon and its control of both wings of the PLO as an important bargaining card with the United States over the eventual return to it of the Golan Heights, and with Lebanon to pressurize it into abrogating the 17 May withdrawal agreement with Israel and giving fair government representation to pro-Syrian elements in the country. In addition, Syrian occupation of the Bekaa provides defence in depth on its vulnerable western flank in the situation following the Israeli invasion of Lebanon. Syria is also at pains to point out that, unlike the invading Israelis, its forces first entered Lebanon in 1976 at the invitation of the Lebanese government. It has resolved not to withdraw those forces until the last Israeli soldier has left Lebanese soil.

Israel, for its part, having achieved its main invasion aim of securing a 25-mile buffer zone along its northern frontier, shows no disposition to withdraw before the Syrians. It appears unlikely that a government friendly to the Israelis will emerge from the current negotiations and Israel's influence outside its zone of occupation will probably be exerted behind the scenes. In the south of the country, the Israelis can be expected to tighten their grip by creating new militias loyal to them, but the future of their Lebanese surrogate, Major Haddad, is uncertain. In the absence of ratification of the withdrawal agreement of 17 May, efforts will probably continue to tie the economy of south Leba-

non to that of Israel and to exploring ways of tapping some of the abundant water resources of the Litani basin to relieve the acute shortages in Israel. The occupation of the south is itself a destabilizing factor and local Shi'ite opposition to the Israeli presence can be expected to grow. Syria and Israel are in a sense, therefore, tactical partners in the current status quo in Lebanon. Because neither power has pressing reasons to evacuate its forces from the country, Lebanon has turned to the Americans to play the role of honest broker and sympathetic ally in helping to bring about the withdrawal of Israeli and Syrian/PLO forces.

US policy in Lebanon

Direct US involvement in Lebanese affairs prior to the Israeli invasion of 1982 had been at a relatively low level, but the invasion and the subsequent siege of Beirut by the Israelis led to more direct participation by the Americans, who, since the late summer of 1982, have played an important role in the search for peace in the country. Prior to the invasion, American hopes for a settlement of the Lebanese crisis rested with their ally in the region, Israel, and there is evidence[4] to suggest that there was tacit US agreement to the Israeli plans to expel the PLO and Syria from Lebanon and instal a Phalangist-dominated government in Beirut friendly to Israel. It was only after the excesses of the siege of Beirut, the unauthorized Israeli advance into west Beirut and the September 1982 massacres of Sabra and Shatila that Washington decided to take matters into its own hands. US support for the newly installed Gemayel government took the form of a contribution of marines to the MNF and an aid package including military supplies and a training mission for the newly constituted Lebanese Army. The US also undertook to carry out mediation efforts designed to bring about the withdrawal of foreign forces. The US-mediated Lebanese-Israeli withdrawal agreement was hailed as an early success for American efforts until Syria's blunt refusal to withdraw from Lebanon largely invalidated it.

Washington has so far concentrated upon supporting the forces of legitimacy in Lebanon, whose general policy line largely coincided with its own plans for the region as elaborated in the Reagan peace initiative of September 1982. It made little difference to the United States that these same forces, who came to power with Israeli support, often overplayed their hand in their approach to domestic policies and ignored the legitimate demands of sections of their compatriots, mainly from the Muslim side, who are under-represented in Parliament and who have struggled for a say in the running of the state. The consequences for Lebanon have been all too obvious and for many Lebanese, US support is felt to be one-sided. But Washington's main error of judgement in its approach to the Lebanese dilemma lay in underestimating Syrian influence in a country with which it has many genuine ties. Syria's policy, though often cynically conducted, is intelligent and determined and now that Damascus has Moscow's backing, it must be regarded as a full participant in the region's

[4] See Zeev Schiff, 'The green light', *Foreign Policy*, No. 50, Spring 1983, p. 73.

politics. There have been signs of late, particularly during the negotiations between Syria, the United States and Saudi Arabia, which led to the ceasefire of 26 September, that Washington is at last taking Syria's legitimate interests in Lebanon into consideration. Whether the US-supported withdrawal agreement will survive in its present form is still an open question.

The economy and reconstruction

Any discussion of Lebanon's political problems tends to overshadow the severe damage sustained by the country's economy and infrastructure. Even before the recent violence, the economy had suffered a severe blow during the Israeli invasion. Much of Beirut and most of the towns in the southern half of the country sustained widespread material damage which reduced their capacity as administrative market centres. Damage to factories resulted in the loss of a quater of industry's productive capacity. These ravages were compounded by cheap Israeli products coming on to the Lebanese market through the open borders in the south. In these circumstances, the economy relied heavily on remittances sent home by overseas Lebanese while the government, through its Council for Development and Reconstruction (CDR), took a lead in rebuilding efforts in the capital to try and shore up the basic economic infrastructure.

Present economic indicators are not encouraging. The world recession, a high inflation rate, an unofficial Arab boycott of Lebanese goods because of suspicions over their provenance and a loss of revenue following the cessation of PLO-funded activities all contribute to the stagnation of the economy. Continuing uncertainties over the withdrawal of foreign armies and a fluid security situation add to the difficulties. Measures recently announced by the government in an effort to stimulate the economy such as the setting up of 'offshore' commercial companies and holding companies in Lebanon whose activities were to be aimed at foreign markets have little chance of succeeding in the present uncertain political situation. Nevertheless, it is a mark of the country's resilience that Lebanon has been able to maintain its liberal economic and financial system throughout the worst disturbances of recent years.

Current estimates of the cost of reconstruction in Lebanon vary between the World Bank figure of six billion dollars for the three years from 1983 to 1985 to the government CDR's estimate of fifteen billion dollars over the next ten years. At the Paris meeting of countries and institutions which have pledged aid to Lebanon, held on 20 and 21 July under the auspices of the World Bank, donor countries gave approval to a loan of $225 m. for the current year, which will be supplemented by the government's share of 25 per cent, the figure agreed as domestic counterpart financing over the reconstruction period. The priorities, with particular emphasis on housing, education and health, were laid down in the opening statement read to the meeting by Dr Atallah, the President of the CDR.[5]

Direct outside aid for the reconstruction of Lebanon as well as rehabilitation

[5] See text in *Monday Morning*, Vol. XII, No. 576, July 1983, p. 64.

projects funded by international agencies and charities are channelled through and co-ordinated by the Office of the United Nations Resident Co-ordinator in Lebanon, Mr Iqbal Akhund. Alongside these, the work of the United Nations Relief and Works Agency (UNRWA), which is devoted specifically to supporting the Palestinian refugees in Lebanon, continues as it has done since 1949, the year in which many were first made homeless. It is only through the tireless efforts of UNRWA that the refugees have been able to cope with the many disasters that have befallen them. The future of the Palestinian refugees, now estimated at 300,000, gives much cause for concern. Living in conditions of great insecurity, with few prospects of finding work and deprived of any hope for the future, they are a potential additional source of destabilization.

Conclusion

Any discussion of a possible peaceful future for Lebanon must be based on a realistic appraisal of the problems involved. The present government exerts its authority over barely 10 per cent of a country which is in a state of *de facto* partition. The south is occupied by Israel and the north and east by Syria and its proxies. Eight years of conflict have reinforced sectarian animosities and thoroughly demoralized the population.[6] Lebanon, which is in danger of fragmenting into a number of smaller units, exists as a country only on the pages of atlases. Can it once again aspire to become a nation? A positive answer hinges on several assumptions: that ceasefires agreed upon succeed in preventing a major eruption of fighting; that delegates taking part in conciliation talks negotiate in good faith; that Washington and Damascus exert their influence in ways that encourage the emergence of an administration which reflects fairly the aspirations of all sections of the Lebanese people; and lastly, that the United States gives continuing support to Lebanon in its struggle to re-establish its sovereignty in all parts of the country.

These conditions remain the minimum necessary for progress. Once present, key areas of reform should be explored such as the renegotiation of the National Covenant, the possibility of establishing an upper house in Parliament elected on non-confessional lines and selection for civil service posts on the basis of competence rather than religion.[7] In these most critical days for the country, the continuing presence of a strong army which has been seen to be effective could act as an added reassurance for the war-weary populace provided there is strict impartiality in its use. But if current attempts at reconciliation break down, if key figures are assassinated and the tenuous ceasefire does not hold,[8] then the prospects of Lebanon regaining full independence in the foreseeable future are indeed bleak.

[6] For a detailed account of the effects of the civil war in Beirut, see Samir Khalaf, 'On the demoralization of public life in Lebanon: some impassioned reflections', *Studies in Comparative International Development*, Vol. XVII, Spring 1982, No. 1, pp. 49–72.

[7] For a discussion of possible reforms, see Ghassan Tueni, 'Lebanon: a new republic?', *Foreign Affairs*, Vol. 61, No. 1, Fall 1982, pp. 96, 97.

[8] The recent car bomb attacks against the US and French MNF contingents are a brutal reminder of the precarious nature of the ceasefire and raise questions about the MNF's future role

Sri Lanka: explaining the disaster

JAMES MANOR

'DISASTER' is a very strong word, but the violence which engulfed Sri Lanka in late July and early August of this year certainly justifies its use. The riots which consisted almost entirely of attacks on the Tamil minority by the majority Sinhalese, stopped well short of 'genocide', a term used by some Tamils. But in scale they almost certainly exceeded the other two major conflagrations which occurred on the island in 1958 and 1977.[1] The government's figure of just under 400 deaths is a serious underestimate. At least 135,000 Tamils living in Sinhalese areas fled to refugee camps while tens of thousands more hid elsewhere. The destruction of Tamil property vastly exceeded anything seen before, with, for example, at least seventy factories in the Colombo area wrecked and 70 to 90 per cent of Tamil shops and homes looted and burned in many areas.[2] This was only possible because far more of the violence was organized than on previous occasions. In qualitative terms, the summer's violence represents one of the nine or ten worst spells of face-to-face viciousness (without technology to provide distance) to occur anywhere since the Second World War. Extreme acts of sadism and mutilation were far from uncommon at the height of the troubles.

The rioting inevitably developed in a very complex, untidy way. It consisted of three sorts of violence which tend to overlap at the margins: (i) spontaneous attacks on Tamils by Sinhalese motivated by hatred of the minority and a desire for vengeance after an armed party of Tamils ambushed a Sinhalese army patrol on 23 July killing thirteen; (ii) criminal violence in which Sinhalese took advantage of the disorder to loot or to ruin personal enemies or business rivals; and (iii) a more general campaign, carefully organized to do maximum damage to Tamils living in the Sinhalese majority areas. Anti-Tamil riots on previous occasions have consisted almost entirely of the first two types of violence, with the first type being by far the more important. Allegations arose in 1958 and 1977 about plots and conspiracies operating at the core of the rioting, but such claims had little or no substance. This time, however, was different and the principal conspirators came not from the Marxist Left, as official comment would have us believe, but from a faction within the government.

[1] J. Manor, 'Self-inflicted wound: the Ceylon riots of 1958', Collected Seminar Papers, Institute of Commonwealth Studies, University of London, 1981. This writer also witnessed the riots of 1977.

[2] The figure on refugees is an official estimate, reported by United News of India, 10 August 1983. The figure on factories comes from a statement by Sri Lanka's Minister of Labour to *The Hindu* (Madras), 16 August 1983. The last figure is based on interviews with eyewitnesses in New Delhi and Madras, August 1983.

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If the violence itself was ghastly, its long-term impact on Sri Lanka is likel to be just as painful to bear. The damage to an economy struggling to develoj along free-market lines was considerable. A large number of businesses owne by Tamils and expatriate Indians were destroyed, including everything fron small shops to huge warehouses and factories which are major employers o Sinhalese. Rioters attacking Indian Tamil labourers on tea estates appear t have caused substantial damage to some plantations. And as the tales of horro became known in the West, the outlook for tourism—another major earner o foreign exchange—grew grim.

More serious, however, was the social and political impact of the violence Even before the summer, the Tamil minority was already dangerously alien ated by previous spells of rioting, official discrimination and—in Tamil ma jority areas—years of rough treatment at the hands of ill-disciplined, mainl Sinhalese, security forces. But the recent violence, in which even the mos moderate Tamils—those of Colombo's commercial and professional classe —suffered grievously, almost certainly fractured the island's society beyon repair. The riots also created new opportunities for the most illiberal ele ments in the government to consolidate their control by, among other things formally banning three parties of the Marxist Left and preventing the mai Tamil party from operating legally. By re-emphasizing the increasingly auto cratic character of its rule—which was most vividly apparent in the decision las year to abandon parliamentary elections—the government achieved thre things. It confirmed the already well-founded belief that its 1978 Constitu tion—an ingenious document which, despite many flaws, might have pro vided a basis for civilized competition in an open, flexible political system— had become an oppressive, partisan instrument. It placed huge, probably in surmountable, barriers in the way of an accommodation between Sinhales and Tamils. And, finally, it made it well-nigh impossible for Sri Lanka to con tinue to achieve peaceful changes of government within an agreed set of rule and restraints.

What follows is a first report on all of this which may need to be amende somewhat when the dust settles and further evidence emerges. It is based o press reports, documents which have come out of Sri Lanka, analyses b lawyers and academics who were witnesses and interviews with diplomats refugees and others in Madras, New Delhi and London. The purpose of thi essay is not to give a comprehensive account of the violence but briefly t discuss its origins and some of its more important aspects and implications.

The background

To understand the summer's violence, it is necessary to look briefly at th events which preceded it. In 1978, a new Constitution was introduced whicl was modelled on that of the Fifth French Republic. The then Prime Minister J. R. Jayewardene, whose party had come to power the previous year, assume the powerful executive presidency. The Constitution had both liberal an potentially authoritarian elements in it, and its ultimate character and impac

hinged upon the way in which the ruling United National Party (UNP) implemented it.[3]

The Constitution also provided two of the three concessions which Jayewardene intended to make to the Tamil minority (21·6 per cent of the population) in order to heal the very dangerous division within the island's society. It made Tamil a 'national' language, although Sinhalese, spoken by 71·0 per cent of the population, remained the only 'official' language. It also reformed the electoral system so that Tamil votes—which had previously chosen MPs who remained a powerless minority in parliaments dominated by Sinhalese—would actually count in national politics for the first time. The President was to be chosen by direct election, so that a candidate sympathetic to Tamils might win by combining Tamil support with a large minority of Sinhalese votes. Parliament was to be elected by proportional representation which might force Sinhalese parties to coalesce with Tamils to form governments. A third overture to the minority was the promise that new district councils would give them considerable autonomy in Tamil-majority areas.

In the five years since the Constitution's introduction, however, the hopes of liberals and Tamils have been dashed. The ruling UNP has used its power very aggressively, passing laws and constitutional amendments which are highly illiberal. Draconian public security legislation and its misuse have earned the condemnation of Amnesty International.[4] The newspapers which a previous government took over have not been freed, lawless actions by ruling party MPs and activists have often been condoned and attempts to intimidate the judiciary and critics of government have become common. In 1980, the main opposition leader, Mrs Sirimavo Bandaranaike, was stripped of her civic rights, including even the right to speak at rallies, for seven years for 'abuse of power' during her last premiership.

The three constitutional provisions for the Tamils have come to very little, mainly as a result of pressure from Sinhalese chauvinists in the ruling party. Assurances on the Tamil language have not led to increases in its official use of the kind which the minority desired. District councils have not been given enough powers or autonomy from central control to begin to satisfy Tamils. These actions and the aggressive, undisciplined behaviour of security forces in Tamil areas inspired a minority boycott of the presidential election of October 1982 which Jayewardene—in the absence of Mrs Bandaranaike and with the opposition fragmented—won easily. Parliamentary elections, in which Tamil voters would probably have played an important part, were then declared unnecessary by the ruling party, so that the minority was left more alienated than ever.

This last element in the story deserves closer attention. After the presidential poll, many observers expected Jayewardene to call an early parliamentary election. The outlook for his party seemed highly promising on several fronts.

[3] J. Manor, 'A new political order for Sri Lanka', *The World Today*, September 1979.

[4] *Report of an Amnesty International Mission to Sri Lanka, 3 January - 9 February 1982* (updated to 3 May 1983), London, 1983.

His presidential victory would have given the party momentum of the kind which President Mitterrand had provided in the French parliamentary election of 1981. The ruling party had far more money and manpower at its disposal than the opposition, which was almost as badly divided after the presidential poll as before. The performance of parties of the Marxist Left in the presidential election appeared to confirm their long-term decline in electoral politics. The aggressive and frequently lawless behaviour of some of Jayewardene's MPs had made them mightily unpopular in their constituencies. But the system of proportional representation which would be used in the parliamentary poll called for parties to provide lists of candidates in various regions of the country, and this gave the President the opportunity to drop the more notorious MPs and lessen the backlash. Under the specific system of proportional representation used in Sri Lanka, the ruling party had much to gain. The new system gave a clear advantage to the two major parties, the ruling UNP and the centre-left Sri Lanka Freedom Party (SLFP). It also ensured that unless the SLFP managed a formal merger with leftist parties that had been its coalition partners in the past, the President's party would be assured of a parliamentary majority.[5] Such a merger was completely out of the question—indeed, the SLFP itself was no longer a single major party—so there can be little doubt that the President's party would have controlled any new Parliament that might have been elected in late 1982. Its success in a 'mini-general election', involving local government bodies and eighteen parliamentary seats six months later, in May 1983,[6] tends to confirm this.

It thus came as something of a surprise, after over half a century of legislative elections by universal suffrage and seven post-independence general elections, when the ruling party chose to dispense with parliamentary elections. They did so by using their two-thirds majority in Parliament to ram through a constitutional amendment prolonging the life of the present House by a further six years, subject (under the Constitution) to a vote of approval in a national referendum which was held in December 1982. The main reason for this decision appears to have been their desire to maintain their two-thirds majority which they could not hope to attain in a new Parliament chosen by proportional representation. The smaller majority that would surely have been theirs would not have enabled them to alter the Constitution at will for partisan advantage, as they had done on several occasions since 1978. It would have prevented them from exercising the kind of hegemony over the political system which had become the rule over the previous five years. When the government sealed opposition party presses during the run-up to referendum day and when the ruling party made widespread use of thuggery on the day itself to intimidate its opponents, it was seen by many as a confirmation of this drive for illiberal dominance of the system. These actions also cast serious

[5] R. Oberst, 'Proportional representation and electoral system change in Sri Lanka', unpublished manuscript.

[6] C. R. de Silva, 'Popular sovereignty in action or the proverbial fig leaf? Sri Lanka's mini-general election of May 1983', Ceylon Studies seminar, University of Peradeniya, 1983.

doubt upon the vote of 54·7 per cent in favour of prolonging the life of the old Parliament.

The government's refusal to hold a parliamentary election eliminated any hope that the existing Constitution might be accepted by opposition groups as a framework within which to contend and seek the accommodation that this badly divided society so urgently needs. The opposition had already been alienated by the duplicity which attended the introduction of the Constitution, with the government at first pretending that they meant only to amend the previous Constitution in order to inveigle their opponents into taking part in the discussions preceding its passage. The subsequent addition of several constitutional amendments to suit the short-term needs of the ruling party had made matters worse. But there was still some chance in late 1982 that the opposition might see the Constitution as something other than an instrument of partisan rule to be torn up at the first opportunity. Now, however, they are determined to repeal it, even if they must violate its rules to do so. The events of late 1982 make it virtually impossible for power to pass from one party to another within a set of mutually agreed conventions. They make it much less likely that a change of regime can occur peacefully. And they increase the likelihood of any subsequent constitution being still more illiberal than this one has become.

Unsavoury trend

We now turn to what is probably the most important link between the government's illiberal actions in late 1982 and the violence of mid-1983. The profound implications of the events of last year were not lost on members of the ruling UNP. Opposition parties were left with so little influence and so little hope of replacing the party in power that the arena within which important political conflicts occurred now seemed to be not the island's political system with all of its competing parties, but rather the ruling party itself. This view may turn out to have been mistaken, but the important point here is that it was a view which many UNP politicians accepted after the referendum of December 1982. Because they accepted it, some of them changed their behaviour within the party in one very important way. They began to import into the party a habit or tendency which had been in common usage within the system of competing parties when it had been seen as Sri Lanka's main political arena.

From the late 1930s onward, and particularly after 1955, many politicians who found themselves in opposition sought to stir up Sinhalese chauvinism and fears of the Tamil minority in order to weaken the government of the day. This was usually more a case of manipulation of Sinhalese insecurities than of conviction since these same politicians, once in power, became cosmopolitan statesmen seeking to create understanding between the communities. It was natural that they should do so since any government was held responsible for the welfare of all of the island's people, and ructions between communities —which could and sometimes did result from campaigns of chauvinism

—undermined the government's authority. This tendency to veer from parochialism in opposition to statesmanship in power was observable in the early career of, among others, President Jayewardene himself. In 1955, he was a senior minister in a UNP government that was faced with a powerful upsurge of Sinhalese chauvinism of which S.W. R. D. Bandaranaike became the leader. Jayewardene urged concessions to Sinhalese to defuse their resentments, but his main thrust was to seek to foster understanding between Sinhalese and others. By 1957, after the upsurge had carried Bandaranaike to power where he promptly began to preach reconciliation, Jayewardene was to be found introducing Sinhalese chauvinist material into the UNP's Sinhalese-language newspaper which was so extreme that it provoked disgust and protest from some UNP leaders. These are examples of a trend that embraced far more than these two men.

By the end of last year, when it seemed to most politicians both in and out of government that opposition parties had been excluded from any hope of power for many years to come, this unsavoury tendency surfaced within the ruling party. One faction surveyed its prospects in the succession struggle which will follow the death of the ageing Jayewardene, and did not like what it saw: it seemed all too likely that the present Prime Minister, R. Premadasa, who leads another more formidable group, would carry the day. The discontented faction—led by a senior Cabinet Minister, Mr Cyril Matthew—found itself 'in opposition', as it were, to the Premier's faction which was 'in power' in the ruling party. In a sense, it was therefore logical that this smaller faction should make use of the Sinhalese chauvinist ploy which opposition groups had adopted (often to considerable advantage) so often in the past.

There is considerable evidence to suggest that during the first half of 1983 this group within the ruling party, indeed within the Cabinet, sought to stir up distrust between Sinhalese and Tamils and was preparing itself for concerted violence against Tamils should clashes begin to occur. There is very strong evidence to indicate that when such clashes began in July, this faction—which had at its disposal large numbers of men, many of them employees of the government departments under the Minister's control—were very active in sustained, systematic attacks on Tamils and prominent Indians, particularly but by no means exclusively, in greater Colombo.[7] A senior Minister thus used the state's vehicles, resources and employees to destabilize the government of which he was a member, in order that he or one of his allies might ultimately take control of it. He also directed attacks against the offices, shops and factories of Indian and Tamil entrepreneurs who were well-known supporters of the Prime Minister in order to weaken his rival. And by creating an

[7] Explicit allegations of ministerial involvement have been made in several Indian newspapers, including *The Hindu* (Madras), 30 July 1983. President Jayewardene denied them in an interview with the *Financial Times*, 12 August 1983. But they were confirmed repeatedly in conversations which the author held with many eyewitnesses in Madras and New Delhi in August and September 1983, as well as by the London weekly *The Economist*, 20–26 August 1983.

unprecedentedly wide gulf between Sinhalese and Tamils, he weakened the Prime Minister and other leading politicians who are less inclined to parochialism than he is.

The ruling party in Sri Lanka contends that the principal cause of the summer's violence was an attempt by Tamils and three parties of the Marxist Left to bring down the present regime by encouraging communalist clashes. The three Marxist parties were banned. These were the Jatika Vimukthi Peramuna (JVP), which mounted the abortive insurrecton of 1971 but which has operated within the law since 1977, the Communist Party which has some support among trade unionists and urban-oriented people in certain parts of the island, and the tiny Nava Lanka Sama Samaja Party. (At the same time, the authorities also closed the Sinhalese-language newspaper of Mrs Bandaranaike's Sri Lanka Freedom Party.) The government has offered next to nothing in the way of evidence to support these claims and after the bannings it largely ceased even to advance them. This is hardly surprising, since they are exceedingly implausible.

There is no question that the violent actions of Tamil fighters, particularly the ambush of the army patrol, helped to ignite the rioting that followed. But that is as far as it is possible to go with the government's argument. Tamil politicians had seen their people suffer grievously at the hands of the majority several times since 1977 and they would hardly have sought to provoke yet another outburst. The Marxist parties are too weak to have engineered violence on this scale. And over the years, they have nearly always refrained from appeals to Sinhalese chauvinism which the two major parties, the UNP and the SLFP, have so often employed. The case against the Left, and specifically against the JVP, makes much of the fact that many of the Sinhalese who were found to be attacking Tamils this summer were young members of a particular caste which supplied many foot-soldiers to the JVP insurrection of 1971.[8] This argument is highly misleading. No solid evidence has been advanced to show that these rioters had links with the JVP. And the argument ignores the fact that the youths of 1971 came mainly from rural areas, while the rioters of 1983 appear to have been mainly urban dwellers. Indeed, many were employees of government departments of the Minister who sought to foment violence. He comes from the caste in question and is known to have employed large numbers of his fellow-castemen since assuming office.

Role of army and police

One particularly grave aspect of the violence was the contribution which many units of the police and (especially) the armed forces made to it. This sometimes took the form of direct participation in the rioting, as when a very large section of the naval personnel in the eastern port of Trincomalee destroyed many Tamil premises, including a huge portion of the Tamil businesses in the city. More often, members of the security forces—particu-

[8] An example of this argument can be found in the report of a rather credulous Indian journalist, *Hindustan Times*, 4 August 1983.

larly the army—actively encouraged and/or assisted rioters whom they were supposed to be restraining, so that on many occasions violence tended to be *more* widespread during curfew hours. Vehicles and equipment of the security forces were often used to break into barricaded premises and there were numerous instances of mobile groups of security personnel actually touring afflicted areas to whip up the anger of people who were reluctant to use violence or exhausted from a spell of it. Why did this happen?

Two explanations clearly have substance and more may emerge with further evidence. First, groups of army, navy and air force personnel—all of whom engaged in rioting—were often motivated by a desire for vengeance in the wake of the ambush of the army patrol. The security forces in Sri Lanka are overwhelmingly Sinhalese and the comments of personnel involved in rioting consistently indicated their view of the ambush as a deeply painful affront to the honour of their 'race'. Such feelings gain special force from the frustration which has long been simmering, particularly in the army, over their patent failure in Jaffna District, the core of Tamil-majority areas.[9] They were sent there in force in the early 1970s during Mrs Bandaranaike's premiership and—together with the mainly Sinhalese police—were encouraged to behave like an alien army of occupation. In over a decade there, they have mainly succeeded in alienating the local Tamils, which has prevented them from undercutting the rather small number of men of violence in the district. High officials of the Sri Lanka government concede in private that the forces have been incompetently led and that their intelligence agencies in the district have missed many obvious opportunities. This has bred exasperation in the ranks which has led them in recent years into numerous acts of violent indiscipline and, on several occasions, police or army rioting against the Jaffna people. As a result, army units have been confined to barracks for long periods which compounds their depression.

But demoralization and indiscipline in the security forces have another cause which has nothing to do with the Sinhalese–Tamil relations. Since the early 1970s, admisssion to and promotion in the forces have mainly depended on the connexions which personnel have to ministers and MPs. Political patronage has always been important in Sri Lanka, but in her second premiership between 1970 and 1977, Mrs Bandaranaike made it downright pervasive. To obtain a government job or many goods and services, a 'chit' from one of her associates or an MP was often essential. Criticism of this system formed a central theme in Jayewardene's 1977 election campaign, but, on taking power, his ability (and eventually, it would appear, his inclination) to prevent such influence peddling waned and the chit system lives on. Here, as in other areas of the island's political life, when a set of accepted norms and restraints is abandoned by one party, it proves very difficult to reimpose them on another after a change of government, even though the observance of such restraints is in the practical long-term interests of all major parties and of society as a whole.

The persistence of the chit system has seriously divided and demoralized the

[9] I am grateful to R. L. Stirratt for calling attention to this point.

security forces. A large number of officers and men who came in under Mrs Bandaranaike have felt aggrieved as newer faces received promotions and attractive postings. At many levels of the forces, men of inferior rank with good political connexions have either defied their superiors or offered to help them obtain preferment in exchange for special treatment. This plays havoc with morale and discipline, as was often apparent during the summer violence. The quality and reliability of personnel in the topmost echelons appears to be reasonably good, but the patronage system has brought many unqualified people into the middle and upper-middle ranks. During the summer, some of these officers were clearly intoxicated with anti-Tamil sentiments and encouraged (and perhaps ordered) their men to join in the violence. It is at present unclear whether they colluded with the faction within the government which sought to foment rioting, but there are reasons to doubt that this was true. However, a few senior politicians close to the President believed that some middle-level officers might turn against Jayewardene himself. They feared not a general military coup, since the service chiefs were thought to be trustworthy, but actions by disloyal units. As a result, precautions were taken to defend the President's residences. And diplomatic sources in Delhi indicate that the rather vague, elliptical enquiries to several foreign nations about possible troop deployment in Sri Lanka were probably motivated as much by a fear of some of Jayewardene's own forces as anxiety over an Indian invasion which was and is extemely unlikely.

Asian de Gaulle or lame duck?

This has some bearing on another important element of the story, the unfortunate behaviour of President Jayewardene during the crisis. It is first necessary to dispose of three simplistic notions about him which have appeared in some recent foreign reports: that he is not very bright and that he is an unmitigated tyrant and bigot. Any serious examination of his career will reveal that he is probably the most intelligent head of government which South Asia has seen since the death of Nehru. Indeed, he is and has needed to be a craftier operator than Nehru, though he clearly lacks his breadth of vision. In the last three years or so, Jayewardene has been a decidedly illiberal leader. But it is clear from much of his past career and from his actions in the early portion of his present spell in power that he understands the political uses of liberal institutions, which his 1978 Constitution was in part designed to bolster. It is true that throughout this troubled summer he did little to impede the Sinhalese chauvinists. That was apparent in his tendency before the violence began to speak harshly and almost solely about Tamil terrorism, in his failure to offer any firm public response in the first few days of rioting and in his extraordinary decision thereafter to blame the Marxists, and especially the Tamils, in terms that encouraged Sinhalese bigots to continue on their hysterical way. This stands in striking contrast to his early, statesmanlike broadcast during the riots of 1977, when he reminded the nation that some of his own relatives were Tamils.

Why the change? The central point to remember about Jayewardene is that

he is above all a man whose actions are governed by considerations of concrete political utility. That was what dictated both his earlier liberal initiatives and his recent harshness. The main change since 1977 is that he is far weaker than he then was, indeed he has become something of a hostage to the hard men and illiberal forces around him. This may sound odd since he is known to hold undated resignations from all of his MPs and is often depicted as an Asian de Gaulle. It is not possible to explain this here in detail, but there are two main reasons for his weakness. First, he has been unable to maintain sufficient control over his party, and particularly over his MPs, to prevent the growth of rival factions, some of which have become lobbies for autocratic government and Sinhalese chauvinism with enough power to force the President's hand. His party's organization lacks the strength to serve as an instrument for discipline. Until the mid-1970s, for complicated structural reasons, no ruling party in Sri Lanka had ever had a strong organization. In those years, however, Jayewardene built such an organization for the UNP, so that when he took power in 1977, he appeared to be capable of much greater control than any predecessor. But the rush of people out of party posts and into government caused the organization to crumble and things slipped out of his grasp.

His second problem is that, despite his recent re-election, his is seen as something of a lame duck. The difficulty here is his age. Jayewardene is 77 and apparently in good health, but his colleagues in the ruling party cannot ignore the fact that they might be faced with the problem of succession at any time. This has given rise to ceaseless jockeying for position and faction-building which has undercut his authority. Other factors also count, such as the emergence under his economic policies of new forces which are not dependent upon the state but which want to influence the choice of his successor. The point here is that he is far less powerful than he might appear, and this is the basic reason for his surprising behaviour during the violence.

Sri Lanka is now faced with a grave crisis. The economy has suffered a severe shock and even if it limps back to recovery, frightful problems will remain. The nation has been stripped of flexible, broadly accepted political instruments at a time when they are more urgently needed than ever before. The gulf between Sinhalese and Tamil is now vast and would probably be unbridgeable even if the political will and resources for a serious attempt at accommodation were present, which they are not. Talks between the leaders of the government and the Tamil opposition may be held, mainly under pressure from India. But short of outright intervention, which is not yet a serious option in New Delhi, it is extremely unlikely that Jayewardene and his colleagues will negotiate seriously. And yet, an intrusion by India would be certain to inflame Sinhalese opinion as never before and create even more difficult problems. An agonizing new phase in the island's history may only have just begun.

China's economy in the next twenty years

GIANNI FODELLA

THE economic target set by the Twelfth Congress of the Chinese Communist Party in September 1982 is to quadruple the value of agricultural and industrial production by the year 2000, from 710 billion yuan in 1980 to 2,800 billion yuan.[1] Is this programme too ambitious?

During this decade China may grow at an average annual rate of 4 per cent, that is, at the rate foreseen for the present plan, while in the next decade the annual growth rate could be 9·5 per cent which is high but by no means impossible if we consider that it was exceeded by Japan in the 1960s (10 per cent a year in 1960–5 and 11·3 per cent in 1965–70). If we envisage a uniform annual rate for the whole period of twenty years at 7·2 per cent, this was exceeded by Japan in 1950–75.[2]

The real problem is whether China has reached the *threshold* above which rapid growth similar to that of Japan is possible. China has still not solved the problem of basic education, which, it is planned, will be available to all only from 1990; on the other hand, it possesses resources which Japan did not have, together with the capacity to exploit them.

One of the major problems could be population growth, which will have to be around 1 per cent per annum to keep the population within 1·2 billion by the year 2000.[3] This target will be reached only if 90 per cent of young families in rural areas and 95 per cent of those in urban areas obey government policy. There are good reasons why this policy could be successful; these include the social pressure exercised by the group on the individual (which is typical of the East Asian area irrespective of the political regime), economic benefits for families that comply and heavy fines for those which do not. Furthermore, the current rate of population growth is 1·1 per cent, similar to the rate in Japan in 1955–70.

Another indicator that may show if China has reached the *threshold* above which its economy could grow rapidly is life expectancy. This is now 68 years

[1] Hu Yaobang, *Create a New Situation in All Fields of Socialist Modernization*—Report to the 12th National Congress of the Communist Party of China (1 September 1982), (Beijing: Foreign Languages Press, 1982), p. 19. For background to the Congress, see Jonathan Mirsky, 'China's 12th Party Congress', *The World Today*, December 1982.

[2] At the end 1982, the total value of industrial and agricultural production was estimated at 804·1 billion yuan, up more than 7 per cent over 1981 for a considerably higher growth rate than the targeted 4 per cent: *China Newsletter*, No. 43, p. 9.

[3] Hu Yaobang, *ibid.*, p. 22.

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and it is exceeded in Asia only by Japan and by territories populated by Chinese—Hong Kong, Taiwan and Singapore—and perhaps equalled by Korea.[4] Long life expectancy is a comprehensive but none the less meaningful index: it depicts better than other economic indicators real living standards, because it includes the degree of endemic morbidity, the nutritional level and the efficiency of sanitary conditions. Although living standards remain poor, this long life expectancy figure indicates that income in the People's Republic of China may be markedly underestimated due to an unrealistic RMB yuan/US dollar exchange rate, which does not take into account the structure of relative prices in China. Not only does this mean that, in terms of per capita income, China is now listed among the poorest countries in the world together with Pakistan, Zaire, Madagascar and Indonesia, but also that all imported goods have a high cost in terms of Chinese labour and of Chinese goods needed to pay for them. A different rate of exchange could to some extent affect Chinese exports unfavourably, but it would certainly make technological products needed by China cheaper.

If we consider that a family of four, living in a town, spends about one hundred yuan per month for all necessities, including grains, meat, vegetables, sugar, tea, fruit, cooking oil and fat, clothing, housing, water, gas, electricity, transport, postage, the theatre, cinemas, barbers, baths, medical expenses, meals at the kindergarten for one of the two children, it would seem unreasonable to calculate the value of these goods and services at Chinese prices, since this would amount to the equivalent of 50 US dollars, while in the United States or Britain at least 250 US dollars or 150 pounds sterling would be needed to buy the same goods and services *at the Chinese standard*.[5] This means that the gap between per capita income in, for example, Britain and China is not 20 times, but 4 times. As a rule, to get a really fair comparison of per capita income in China, the nominal Chinese income expressed in a convertible currency should be multiplied by a factor of 5. This means that China's national income is below that of the United States, but above that of the Soviet Union and Japan, and that by 1990 it could be in top position.

If we take other economic indicators, like the per capita production of certain goods, it is easy to detect that China's position ranks much higher than one would expect considering its per capita income in US dollars.[6] For example, per capita grain production (340 kgs) is similar to that of today's Mexico and Brazil, and to that of Germany and Italy in 1970. Per capita meat production (about 20 kgs) exceeds that of Mexico and of Japan and is similar to

[4] *China Official Annual Report*, 1981, p. 736. *World Development Report 1982* (The World Bank) shows a life expectancy at birth of 64 years in 1980 for China, of 66 for Sri Lanka, of 65 for Korea (North and South), of 72 for Singapore, of 74 for Hong Kong, of 76 for Japan (the world record, according to this source).

[5] Calculations made by the author in September 1982 following the method used in Peng Kuang-Hai (or Guanxi), *Why China has no Inflation?* (Beijing: Foreign Languages Press, 1976).

[6] Tables showing evidence of this argument were published as an appendix to my article 'Cina: il gigante che si nasconde', *Rivista milanese di economia*, n. 6, 1983, pp. 152–63, using various sources like FAO, OECD, UN and Chinese official sources.

that of Italy in 1965. Per capita fish production is similar to that of Italy, Brazil Mexico, Nigeria and West Germany. Per capita timber production exceeds that of Mexico and Italy. Per capita oil production exceeds that of Brazil and per capita coal production ranks very high at world level after West Germany the United States, Soviet Russia and South Korea. Per capita production of electric energy (over 300 kwh) is similar to that of Thailand and the Philippines today, and that of Nigeria, South Korea and Malaysia in 1970. Per capita production of cotton cloth is well above that of Mexico and South Korea, and not too far from that of Italy and Malaysia in 1975. In radio per capita production China ranks well above all the countries mentioned excluding South Korea and Mexico, and is similar to the Italian per capita production of 1975. Per capita production of bicycles is similar to that of today's Brazil and to that of Italy in 1970. Per capita production of sewing machines is similar to that of the Soviet Union of today and to that of South Korea and Brazil in 1975. Cement per capita production is slightly below Brazil and Malaysia, while for crude steel it is still below the level of Mexico and Brazil in 1970. In conclusion, in per capita production of several commodities and manufactures, China compares favourably with countries that have a per capita income in US dollars five to seven times that of China like South Korea, Malaysia, Brazil and Mexico.

If we approach this problem from another angle, the relationship between foreign trade and national income, it is easy to see that China's foreign trade (about 40 billion US dollars) is a very high proportion for a national income that is estimated to be worth only 320–400 billion US dollars.[7] China imports only a few consumer goods; it is a huge country which produces almost everything, and furthermore it has a low purchasing power; thus a ratio of foreign trade: GDP of 10–12·5 per cent seems too high if we compare it to that of the Soviet Union (11 per cent), the United States (less than 17 per cent) or Japan (about 22 per cent). If we multiply China's estimated GDP by five, we get a ratio of 2–2·5 per cent which seems more reasonable in the light of the above considerations.

Such a drastic change in the RMB yuan rate of exchange would require time and a gradual adjustment in the price of certain goods and services for export; and in order to avoid massive imports of durable consumer goods, it will be necessary to maintain restricted quotas for a while and proceed with establishing an industrial base even if it means joint ventures with foreign entrepreneurs. The present undervalued RMB yuan has not been a sufficient deterrent to imports, since Chinese purchasing power is increasing rapidly: it has simply favoured smuggling, which also damages the economy.

During the lifetime of the PRC, the population has doubled, national income has increased about six times, while per capita income has more than

[7] In 1982, Chinese exports totalled US $21·6 billion and Chinese imports $17 billion, showing a trade surplus of $4·6 billion. Foreign exchange reserves amounted to $11·125 billion at the end of 1982 while they were $4·773 billion at the end of 1981. Economic plans for 1983 call for a 4·8 per cent rise in exports and a 25·3 per cent rise in imports (on a Renminbi basis). The sixth five-year

trebled in spite of the economic instability of the past thirty-three years. The stress on agriculture and light industry to create better living conditions and the necessary demands of the heavy sector is not mere lip-service to the new policy even if the resources going to heavy industry remain important.

The accumulation rate, which was over 31 per cent per annum in the period 1966–80, decreased to 28·3 per cent in 1981 (when the output of light industry increased by 14·1 per cent while heavy industry decreased by 4·8 per cent compared with the previous year). In 1982, growth in industrial production was up 7·4 per cent (targeted growth rate 4 per cent), and the rapid expansion was attributable to a 9·3 per cent production in heavy industries where growth had been targeted to only 1 per cent. Agriculture grew 7 per cent while the target was only 4 per cent.[8] These policies, along with the considerable amount of autonomy given to the rural areas where the possibilities of improvement are greater than in the urban centres (where enterprises are taxed more heavily), the role of the plan and of the market in the domestic economy and the Special Economic Zones in Fujian and Guangdong are all factors that could have a decisive role in spurring the Chinese economy to grow rapidly in the two decades ahead, as Japan did in the 1950s and 1960s.

In brief, I have tried to show that China's GDP is heavily underestimated by using a variety of economic indicators:

(i) a long life expectancy at birth not matched by per capita income;
(ii) the inconsistency between the RMB yuan/US$ exchange rate and the relative price structure of China;
(iii) the per capita production of some important goods in physical terms in China and in countries that have a higher per capita income;
(iv) the ratio between the estimated GDP (at Chinese prices) and the value of Chinese foreign trade (at international prices) which shows a degree of opening, or dependency, similar to those of much more developed countries.

Such a topic deserves, however, much greater attention by economists and policy-makers if China's economic problems are to be evaluated in a more realistic and theoretically correct way, permitting to measure in comparable terms the weight and the economic significance of the PRC. Calculated in these terms,[9] it is indeed possible to envisage China at the end of this century as

[8] *Statistical Yearbook of China, 1981* (Hong Kong, 1982); and S. Nakajima, *China's industrial and agricultural production in 1982, China Newsletter*, No. 43, pp. 9–13.

[9] According to the study made for the United Nations Organization and the World Bank, known as *United Nations International Comparison Project*, by I. B. Kravis, A. Heston, R. Summers, *World Product and Income. International Comparisons of Real Gross Product* (Baltimore and London: The Johns Hopkins University Press, 1982), considering thirty-four countries (but not China), the deviation index between the per capita GDP calculated with exchange rates and with purchasing power parities is 3·65 in the case of Sri Lanka, 3·23 in the case of India and 3·12 in the case of Pakistan. As suggested in this short article, such a deviation index may be 5 or even higher in the case of China. Thus, if China's GDP in 1980 was about US $290 billion, it would be US $1,450 billion using the deviation index; considering that the average an-

a country with the highest GDP in the world, comparing favourabl
Mediterranean Europe.

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nual growth rate of GDP in China has been 5·2 per cent in the 1960s, 5·8 per cent in the and is likely to be higher in the 1980s, it is possible to forecast that at the beginning of th China will have outpaced the rest of the world.

CORRIGENDUM

In Jonathan Mirsky's article 'China's 12th Party Congress' (*The* *Today*, December 1982), on p. 474, ll. 23–24, *for* 'from US$370 billion ir to $2,800 billion within 18 years' *read* 'from 710 billion yuan to 2,800 b yuan'.

Note of the month

EUROPE'S DISAPPOINTING SOCIALIST SUMMIT

ONE of the more dramatic political developments in recent years has been the rise to power of Socialist parties in Southern Europe, a process completed when Bettino Craxi became Italy's first Socialist Prime Minister last August. It was fitting, therefore, that the Heads of State of Portugal, Spain, France, Italy and Greece should have decided to meet in mid-October just outside Athens to swap experiences, exchange ideas and attempt to establish certain common initiatives.[1] For it has always been an essential element in their Socialist thinking that, while one country alone could achieve little in an unfavourable international climate, several working in concert could do much more. The Socialist :aders were not meeting for the first time: they had done so regularly in the ast, largely at the behest of their French colleagues. But then most, if not all f them, had been the leaders of parties in opposition, sharing their aspiraions and speculating about what could be achieved once power had been won. t is precisely because now they are all in government that their informal sumiit last October presented greater interest.

True, considerable differences exist between the strengths of these leaders 1 their respective governments. Whereas there are massive Socialist majorities ehind the French, Spanish and Greek Heads of State, Portugal's Prime finister, Mario Soares, relies on a joint coalition with the Social Democrats for is support. Indeed, Signor Craxi's five-party coalition, in which the Socilists are very much in a minority, is not really Socialist at all; his party holds nly six out of thirty posts in the centre-right-dominated Cabinet. None the :ss, all the leaders are Heads of State in their own right, able to influence olicy-making in their own countries more or less decisively. For all of them to 1eet in such a capacity was something that had been dreamed of often in the ast. In the event, however, the meeting turned out to be a rather dejected afair, where idealism and generosity of spirit were noticeably lacking. For those oping to get a sympathetic hearing for their problems, or to establish certain ommon initiatives, the two days of talks in Athens proved to be a serious isappointment.

It was in the handling of their respective economies that the assembled :aders found the most common ground, but this had more to do with force f circumstances than design. For, although they all agreed broadly on the esirability of economic growth and on improving the lot of the poor and isadvantaged, they varied quite considerably as to how such ends may best be chieved. Whereas, for example, the French Socialists held nationalization of he key industrial and financial sectors to be vital for their reforming economic :rategy, in both Portugal and Italy there is much disillusionment as to the ad-

[1] The French President, François Mitterrand, unable to attend, was replaced by his Prime linister, Pierre Mauroy.

vantages of an extensive state sector. Prime Minister Soares is in fact reversin the trend, by opening up previously state-run sectors to private enterprise.

But despite these differences of strategy, the actual policies being pursue in each of the five countries exhibit considerable similarities, as each Socialist led government in turn has been forced to grapple with the international reces sion. The most striking example of how international pressures have prompte a complete reversal of economic policy was provided by the French. The started out by stimulating the economy, using massive public investments an raising low wages. But soaring inflation, huge foreign debts and a weakenin currency forced the French Socialists, after three humiliating devaluations, t switch to an extensive array of austerity measures. This proved to be a salutar lesson for the other Socialist leaders, who avoided making some of their Frencl colleagues' more extravagant election promises. The need to tackle inflation strengthen the currency and reduce their debts, both domestic and foreign has obliged all of the five Socialist leaders to adopt certain restrictive measures including limiting wage increases, cutting back on public expenditure an raising taxes. In Portugal, the austerity is particularly harsh, as Dr Soares is hav ing to tailor his policies to the exigencies of the International Monetary Fund But even in the absence of such immediate external constraints, the othe Socialist leaders have not shied away from taking some highly unpopula measures. Last June, Andreas Papandreou passed a law severely restricting th right to strike in the public sector, while in Italy, Spain and France, the govern ments are having to accept massive job losses as a result of restructuring ailin industries such as steel. Thus committed for the foreseeable future to restric tive economic policies, the five leaders had little occasion in Athens to discus those issues which not so many years ago they had hoped would constitute th central thrust of Socialist reform and renewal in Europe—a joint reduction i the working week and mutually supportive reflation. Their greatest politica headache is that the present unpopular policies produce the hoped for result well before they have to face a general election. For the French Socialists, wh go to the polls in 1986, the date is drawing alarmingly near.

But if discussion on economic matters proved disappointing, foreign polic caused open disagreement. In particular, the major issue currently domi nating the international scene—Nato's imminent deployment of America medium-range nuclear missiles in Western Europe—provoked widely differ ing responses. Only Italy is actually scheduled to host some of these nuclea missiles. Signor Craxi has persistently stressed his country's traditional loyalt to the Nato alliance and his willingness to install the missiles if the Genev disarmament talks between the Soviet Union and the United States fail t produce a satisfactory compromise. Similarly, President Mitterrand, wh has not lost an opportunity to show that he is willing to stand up to the Rus sians, has, while stressing France's independence on the matter, given ful backing for President Reagan on the Euro-missile issue. By contrast, Prim Minister Papandreou has managed to combine lukewarm support for Nat with a relatively conciliatory attitude towards Moscow. He had already in-

uriated M. Mitterrand and Signor Craxi, as well as his other EEC colleagues, by refusing to condemn outright the Soviet Union's downing of the Korean airliner last September. Mr Papandreou has been campaigning for a nuclear-free zone in the Balkans, and wants to halt the deployment of the cruise and Pershing missiles in Europe. But, despite considerable effort, the Greek Prime Minister failed to get his Socialist colleagues in Athens jointly to back a call for a six-month delay in installing the Euro-missiles.

But perhaps the thorniest issue to emerge out of the Athens talks was that of European enlargement. It is now over six years since Portugal first requested to join the European Community, and both it and Spain are fast losing patience at what they perceive to be the deliberate obstacles being put in their path. The issue is of the first importance to the governments in Lisbon and Madrid. Señor Gonzáles sees accession to the EEC as a guarantee of democracy that will permit Spain to develop in a stable, propitious environment, while Dr Soares sees it as holding out the promise of growth and security that the Portuguese so yearn for after years of sacrifice and uncertainty. But if they had felt that amongst fellow Socialists their cases would get a more sympathetic hearing, they were severely disappointed, for M. Mauroy merely reiterated the French view that the European Community is still not capable of standing the strain that would come from enlargement. The Spanish and Portuguese leaders barely concealed their irritation, for they see French objections to be the main factor holding up their accession to the Community. France, and to a lesser extent Italy, are concerned that Iberia's vast agricultural potential will threaten the livelihood of their own producers. This issue, where domestic interests triumphed over shared concerns, demonstrated more than any other at the Athens meeting how forlorn remained the hope, so often expressed when they were in opposition, that the election of several Socialist leaders in Europe would enable them to overcome difficulties by joint effort and common resolve.

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The Grenada crisis

TONY THORNDIKE

THE US-led invasion of the 133-square-mile island of Grenada on 25 October was a direct breach of international law. Ostensibly mounted to save American lives and avoid the nightmare of hostages, it was subsequently justified by President Reagan by the alleged discovery of a Cuban-Soviet plot to render Grenada a base and 'colony'. But firm evidence of this was neither found nor offered.

The real purpose, however, was clear: to install a friendly government. Both the legal aspects and the dangers inherent in a foreign policy conducted in terms of freedom and democracy were not lost on Washington's European allies. Mrs Thatcher summed up their fears. Grenada was independent and had not been invaded; it followed that 'if you are going to pronounce a new law that wherever there is Communism imposed against the will of the people then the US shall enter, we are going to have really terrible wars in the world.'[1] The timing further complicated the division between the United States and Western Europe since deliveries of the controversial cruise missiles were about to begin. Not only did it boost a flagging campaign against their deployment but it also reopened the 'dual-key' issue on the grounds that the US did not adequately consult its European allies. This was particularly felt by Britain which had a residual constitutional link with the island, even though the Caribbean had been for long a low-priority area for British foreign policy. In the wider world, the West's image of morality in its international relations, carefully fostered after the Soviet invasion of Afghanistan, seemed tarnished. As a Polish Solidarity leader remarked, 'the US action lowers the common denominator of ethics in international diplomacy to the Soviet level.'[2] For Latin America, it meant a crisis of sovereignty and recalled memories of discredited 'Big Stick' diplomacy. With the American warning that too close a relationship with Cuba was harmful to national health, tension in the wider Caribbean Basin has risen, and the Commonwealth has been put into a quandary.

Plans to destabilize the New Jewel Movement (NJM) government under the charismatic leadership of Maurice Bishop began soon after he assumed power in a *coup* on 13 March 1979 against the corrupt regime of Sir Eric Gairy.[3] The CIA, however, were ordered by the Senate Intelligence Committee in July 1981 to refrain from direct political action.[4] They were widely believed to have

[1] *The Times*, 1 November 1983. [2] *The Guardian*, 31 October 1983.

[3] For background, see George C. Abbott, 'Grenada: maverick or pace-maker in the West Indies?', *The World Today*, April 1980.

[4] *New York Times*, 25 July 1981.

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been implicated in the attempted assassination of the NJM leader in June 1980, which left three schoolgirls dead. Thereafter, the US relied more on passive spying techniques using aerial photography, which resulted in some serious intelligence mistakes once the invasion was under way. More openly intimidating were the 1981 naval manoeuvres. Named 'Ocean Venture 81', they involved a simulated invasion of 'Amber and the Amberines'[5] (or Grenada and the Grenadines), to topple a Marxist government and organize elections. A subsequent exercise in the Caribbean in 1982 involved more naval ships than those assembled for the Normandy landings of 1944 In March 1983, more manoeuvres close to Grenada were accompanied by a presidential statement that Grenada constituted 'a threat to the security of the United States'. This forced Bishop's rapid return from the Commonwealth Foreign Ministers' Conference in India and heavy reinforcement of the People's Revolutionary Army (PRA) and the militia,[6] as well as spurring agreements with the Soviet Union and North Korea for more small arms and armoured cars and leading, internally, to an increase in the PRA's influence.

The opportunity for intervention finally came with the murder of Bishop, two union leaders and three Ministers, including his close ally, the Foreign Minister, Unison Whiteman. Ironically, Bishop was shot in Fort Rupert, an old slave fort renamed in memory of his father who had been killed nearby by Gairy's police aides, the 'Mongoose Men', in the independence riots of 1974.[7] Many civilians were also killed by what Reagan labelled 'leftist thugs'. Those responsible were a PRA detachment led by Major Leon Cornwall, ex-Ambassador to Cuba. One of two Vice-Chairmen of the Revolutionary Military Council (RMC), which subsequently took over the reins of the government, he was prominent in the left faction of the NJM. This was based on the Organization for Educational Advance and Research (OEAR), founded by Bernard Coard, Minister of Finance, which for four weeks had wrestled for power away from the public eye.

Grenada and the Cold War

It was the external impact of the revolution which excited the attention of the United States, aware of the unabashed Marxist complexion of the NJM leadership. Relations with the new People's Revolutionary Government (PRG) froze within a week of the March 1979 *coup* when the US Ambassador (based in Barbados) despatched a warning that 'we would view with displeasure any tendency on behalf of Grenada to develop closer ties with Cuba.'[8] This was perfunctorily dismissed by Bishop, for Grenada was 'not in anybody's backyard'. The United States, with Canada and Britain, had

[5] C Searle, *Grenada: The Struggle Against Destabilisation* (London: Writers and Readers Publishing Co-operative Society Ltd, 1983), p. 37

[6] *Free West Indian*, 26 March 1983.

[7] See Tony Thorndike, 'Maxi-crisis for mini-state', *The World Today*, October 1974

[8] Quoted in *One Month After the People's Revolution*. Address by Comrade Maurice Bishop, 13 April 1979 (St George's: mimeo), p. 4.

already refused military assistance to repel a threatened mercenary attack reinstall Gairy. The appeal was answered by Cuba. Large shipments of arms f the PRA and militia—which numbered 2,000 and up to 7,000 respectively the time of the invasion—were sent, supplementing those smuggled in by th NJM before the *coup* and those previously sent from Chile to Gairy. Soon, th 'revolutionary internationalist' link was cemented by Cuba's widesprea assistance in health, agriculture, housing and fishing and, above all, throug its agreement to construct the new Point Salines airport.

In the context of deteriorating relations between the super-powers and th reassertion of US power in the Caribbean by President Carter aimed to comb accusations of irresoluteness, these initiatives firmly placed the PRG in the ne Cold War. In an area by now characterized by State Department spokesme as a 'circle of crisis' and 'a sea of splashing dominoes', much was made of th potential use of the airport by Soviet and Cuban airforces:[9] the 9,800 fo runway was said to be 'excessive', the available tourist bedspace small, th Trinidadian and Venezuelan oilfields were seen as being at risk and Grenac would become a base to tranship arms to Nicaragua. The latter claim made r sense geographically. Moreover, the PRG pointed out that it had no milita facilities, such as bombproof shelters and fuel tanks, and that it was in an i defensible location. European Community aid and British, European and U companies were also involved in the construction of the airport. Planned early as 1926 and as late as 1966 by the British, it was deemed essential permit development of the tourist industry which was the only chance th Grenada had of seriously diversifying its economy away from the main expor bananas. The existing isolated airstrip at Pearls, 'a squalid leftover fro colonial days which looks for all the world like a Victorian railway statio transplanted to the tropics',[10] could not be extended.

Thereafter, the Grenadian marriage with the Soviet bloc seemed comple with the alignment of the PRG with Moscow on every international issu notably that of Afghanistan, and the arrival of aid teams from Russia an Eastern Europe, joined by those of Libya, Iraq and North Korea. US pressu and regional concern—heightened by the electoral defeat of pro-PRG Micha Manley in Jamaica and his replacement by Edward Seaga, Washington's mo faithful ally in the Commonwealth Caribbean—served only to reinforce th NJM's insistence upon its 'principled positions' as a non-aligned and indepe dent state. Soon the 'non-negotiable' Cuban link was sealed by close frienc ship between Bishop and President Castro. Britain also echoed US fears anc like Washington, excluded Grenada from aid programmes, notably those fo the many independent banana peasant farmers whose crops had been all bu ruined by hurricanes in 1980 and 1981. Nicholas Ridley, then Minister of Stat at the Foreign Office, said: 'Grenada is in the process of establishing a kind o society of which the British Government disapproves, irrespective of wheth the people of Grenada want it or not.'[11]

[9] See, for instance, *Aviation Week and Space Technology*, 21 December 1981, pp. 19–20
[10] *The Daily Telegraph*, 26 October 1983.

Search for an alternative

The PRG stressed that its foreign policy was part and parcel of its struggle against dependency, which involved challenging the US and establishing a 'Grenadian model of development'. The structural dimension of dependency, whereby little control was possible over producer income and import prices, was critically important. It was tackled by the development of new markets, supplementing that of the European Community, for fruit and vegetables in particular, and the establishment of agro-industries. Sources of aid and imports were similarly diversified. At the popular level, the general effects of structural dependency, such as income inequalities and unemployment (49 per cent in 1978) were alleviated by welfare expenditure on a wide scale. The dominance of rich states and multinational companies was attacked through wholehearted endorsement of Third World demands and very active participation in the Non-aligned Movement. 'People's Laws' promoted food production. Lastly, the most prevalent manifestation of dependency in the Commonwealth Caribbean, that of psychological inadequacy, was tackled with great vigour. Signifying a deep attachment to metropolitan values, attitudes, assumptions and institutions, its pervasiveness is not surprising, given the extraordinarily long West Indian exposure to colonialism and the destruction of indigenous culture through slavery. The people identified themselves not as West Indians but with Europe and North America; even the Rastafarians, representing a genuine West Indian culture, identified with Africa. By extension, this emotional logic dictated that it was the responsibility of others to help make them what they wanted to be, an extension of Euro-America, at least in materialist terms. Since Britain had effectively, and hastily, left the area, the United States was seen as protector. Eugenia Charles, the Prime Minister of poverty-stricken Dominica, expressed this form of dependency on assuming power in 1980, making it clear that 'the US presence in our region is not enough. We are not in your backyard, we are your front door, and you should help us to keep it open.'[12]

This psychological dependency underpinned the concern of Grenada's mini-state Commonwealth neighbours, linked with the PRG in the Organization of Eastern Caribbean States (OECS) in May 1981. Together with conservative Barbados, they were anxious to prevent revolutionary contagion reaching their shores. In fact, there followed in those territories a series of electoral victories for right-wing parties, making it clear that the NJM *coup* was a response to the specific circumstances of Grenada. Although allegations of subversion were never proved, the Eastern Caribbean states were acutely conscious of their vulnerability to takeover by small groups, whether indigenous as in Grenada's case, or mercenaries, as witness the three attempted *coups* against Dominica in 1981. Moreover, the wholesale rejection of inherited institutions in Grenada—particularly the Independence Constitution—leaving only the Governor-General, and the suspension of elections, *habeas corpus* and freedom of expression, profoundly disturbed Grenada's neighbours.

[12] *The New Chronicle*, 28 July 1980.

While other Commonwealth Caribbean States (notably Guyana) had indulged in similar measures as 'emergencies', none had proclaimed them part of a conscious policy. The PRG, in contrast, argued that what had been inherited was totally inappropriate for tiny territories, and finally established a commission in July 1983 to draft a new constitution with a view to holding elections. Both elections and Constitution would be shaped also by the experience gained within the radically different political framework that had been evolving since 1979. Labelled '*participatory democracy*', it specifically rejected the 'five seconds democracy' of the Westminster system, or the time needed to cast a vote every five years for basically similar parties, or what Bernard Coard called, 'Tweedledum and Tweedledee'. Although the institutionalization of the system was still incomplete at the time of the invasion, it was based on the devolution of decision-making to parish councils and mass organizations and was clearly very popular.

This attempt to develop a sense of national pride and participation in Grenada's future by the people was looked at with scepticism by the Commonwealth Caribbean countries. Their reservations rested not so much on whether it was effective in fulfilling the PRG's goals as on opposition to an experiment which did not conform. Relations with Grenada were not helped, therefore, when Bishop hurled insults at Prime Minister Tom Adams of Barbados, who offered help in drawing up an electoral register. 'Like an expectant dog barking for his supper', he fumed, 'he rushes in to please his new master (Reagan) like all good yardfowls by attacking Grenada'.[13] By early 1981, the PRG leadership had become hypersensitive to any criticism, perceiving the revolution to be under siege. Two attempts to establish newspapers were quashed and some of their backers doomed to indefinite detention. But whereas *coups* were bad enough, one following executions was unacceptable. Bishop and Whiteman had, in fact, managed to lessen the fears of OECS leaders and others at two Caribbean Community (CARICOM) summit meetings, in November 1982 (Jamaica) and July 1983 (Trinidad) and they, unlike Reagan, expressed genuine sorrow at his death. Meeting on 21 October, the OECS feared a greater loss of life but their real anxiety was the PRA, perceived as a murdering force ruling by terror. They pointed to 'the extensive military build-up in Grenada' and thought it 'of the utmost urgency that immediate steps be taken to remove this threat'. In vain did Trinidad's Prime Minister, George Chambers, obtain a consensus for regional action by CARICOM at an emergency summit in Port of Spain on 22–23 October. His proposals following agreement upon the suspension of Grenada from membership and the imposition of trade, travel and currency restrictions, were for a fact-finding team followed by a CARICOM peacekeeping force. In the event, his country and Guyana opposed the determination of the OECS group, Barbados and Jamaica, to use force. The Bahamas and Belize abstained.

Struggle for power

The very effective secrecy surrounding the crisis within the NJM, although

understandable, may have contributed to the eventual outcome. Security became a paramount consideration from 1981, to the point of paranoia. NJM unity was maintained at all times. Therefore, news of internal dissension—impossible to suppress after Bishop's house arrest on 13 October—came as a deep shock. The OEAR urged the PRG to go beyond reform, commence collectivization of the economy and deepen relations with the Soviet bloc following a $30 m. aid and trade agreement signed in late 1982 in Moscow. Their first priority was the commercial élite whose tolerance by the PRG was a contradiction. They had benefited greatly from reform of the state finances, the careful planning of resources under Coard's direction and from the newfound spending power of the airport and agro-business workers. Their profits were set to be reinforced by the expected upsurge in tourism once the new airport was opened, scheduled for March 1984. Only Gairy's properties and the Electricity Corporation had been nationalized and Grenada's currency, the Eastern Caribbean dollar, was still shared with all the OECS territories and based upon a Currency Board.

Further, the principle of collective leadership of the NJM central committee had been agreed upon in pre-*coup* days. Earlier, Bishop had shared the title with Whiteman, but this had ended at the latter's request due to his ill-health It was this issue that dominated the world's press. Its importance stemmed from the fact that collective decisions by the committee of fourteen were decisive for the Cabinet. Bishop had progressively influenced its agenda and, with his stature as an international statesman growing, he became less accountable. Although increasingly frustrated, the committee appreciated his popularity. Offered the post of Head of Government and responsible for 'political work among the masses', he would leave Coard, not a committee member since 1982, control of policy planning, administration, the economy and the party. This division, according to one member, was 'to be an internal matter, a party question and not to be publicized', but necessary as the revolution 'had reached a point of stagnation'.[14] Their anxiety seemed justified. Anxious to rebuild relations with the United States, Bishop had visited Washington in May and, although cold-shouldered, had indicated a willingness to reduce the Cuban presence, resist moves against the private sector and arrest further developments of links with the Soviet bloc and Libya. He had realized that if tourism was to diversify the economy away from agriculture, the North American market had to be secured.

Matters came to a head during a three-day committee meeting on the issue of collective leadership on 14-16 September. Of the thirteen present, only one disagreed and three abstained, including General Hudson Austin, head of the revolutionary army, and Bishop, who asked for time to consider the practicalities. At a further meeting on 27 September, lasting fifteen hours, Bishop gave his agreement and then embarked on an economic mission to Eastern Europe. During his absence, it was learnt that he had apparently concurred with Chambers, at the July 1983 CARICOM summit, that a traditional election and release of some political detainees would placate Reagan.

On his return from abroad on 9 October, Bishop changed his mind and decided to oppose the committee. Following insistent rumours that Coard and his wife, Phyllis, were plotting to kill him, Coard resigned, denying any involvement. The committee ordered a military investigation which allegedly traced the rumours to Bishop. He was then dismissed from the party and put under house arrest on the committee's orders.

Coard's role in this struggle, deadlocked by Bishop's refusal to compromise, was curious. He seems to have been unjustly cast as the villain of the piece by both the Western media and the Grenadian populace. In fact, the struggle for power involved principles rather than personalities. Coard was, however, involved, as the majority of the committee and the officer corps were members of his Organization for Educational Advance and Research and expected to impose their views on Bishop and his supporters. Instead, while the everyday business of government crumbled around them, popular support for Bishop grew rapidly. A pro-Bishop rally led by a Minister, Kendrick Radix, was forcefully broken up, the OEAR members fearing that Bishop's victory would spell the end of the committee's power and even that of the revolution. They also knew that they could not detain him indefinitely, particularly as he was avoiding food because of poison fears. Austin's position now hardened and he accused Bishop of 'one-manism', but the role of this one-time construction worker, policeman and corporal in Gairy's army seemed more that of spokesman, given his limited political consciousness.

The struggle came to a climax on 19 October when a crowd of three thousand led by Whiteman and several businessmen marched to Bishop's house, released him and another Minister and took them to army headquarters at Fort Rupert. The killings were an unscheduled accident of circumstance. Bishop was joined by others of his faction who disarmed the soldiers. Then, according to the subsequent official RMC statement, arms were handed to the crowd and the trade union leader of the agricultural workers, Vincent Noel, declared that there would be no compromise. According to Austin, they intended 'to arrest and wipe out the entire central committee and senior members of the party and the entire leadership of the armed forces'. Bishop had summoned some officers to the fort for talks, and later three armoured cars arrived. The revolutionary military council claimed that soldiers were then attacked and two killed whereupon the order was given to fire into the crowd, milling outside the walls. All those in the fort except Bishop and his group were ushered out, and the RMC officers present then allegedly ordered the execution of those left. The OEAR faction's claim that the killings had been the work of implanted CIA agents was not widely believed. The corpses were removed under cover of a draconian ninety-six-hour curfew and burnt near an army camp.

Once Bishop's death was known, public outrage was widespread and vengeful. Castro was deeply angered. In a terse note, Havana denounced the 'atrocious' murders of 'the renowned group of honest and dignified leaders', and said that its relations with the revolutionaries, who had committed 'grave

errors', would be subject 'to a profound and serious analysis'.[15] The Soviet Union, however, had praised the sixteen-man RMC under Austin, which had dismissed the NJM central committee on taking control. If it was ever contemplated that Coard would take over, that was now impossible: widely held responsible for both the killings and the military takeover, he was generally hated. Not only has no evidence emerged to support this contention but he was on record as having echoed Soviet and Cuban warnings to the extremists that some of their proposals were unworkable given the realities of Grenada's geopolitical position and the level of popular political consciousness. But his unpopularity grew with that of the RMC, which terrorized the 110,000 islanders with curfews and arrests. Not surprisingly, therefore, the invading forces were greeted by the civilian population as rescuers. Had the intervention taken place while Bishop was alive, the situation would have been quite different. In fact, survivors of Bishop's faction had succeeded by 22 October in their demands for a civilian government and an inquiry, but those plans were dashed by the invasion. The RMC also turned in vain to Cuba for military assistance. Castro clearly believed that the behaviour of the army command had facilitated intervention. That, together with his previous criticisms, made it impossible for Cuba to do more than dispatch a colonel and four others on 24 October to organize the self-defence of the Cuban workers in case of attack.

The US estimate of 1,500 Cubans on Grenada was wildly inaccurate. Of the total of 784 admitted by Cuba, 22 were defence specialists, primarily dealing with militia training and military communications, which had become priorities after the March 1983 invasion scare. Nearly all the 650 airport construction workers had been issued with small arms and, as there is compulsory military service in Cuba, they were trained. Their extensive camp near the airport was attacked by US forces, who did not permit negotiations. Nor did the State Department respond to a note from Castro on 22 October expressing readiness to 'co-operate in the solution of problems without violence or intervention'. His suggestion to designate the offshore US St George's Medical University a demilitarized area so as to avoid any pretext for action, received a negative reply a few hours after the launching of the invasion. Contrary to US assertions, it was the Grenadian army which put up most resistance.

It is now clear that the United States approached Barbados and the OECS states (less Grenada) on the possibility of intervention—rather than the other way around, as the OECS chairman, Eugenia Charles, insisted. The OECS justified its intervention on the basis of an extraordinary interpretation of Article 8 of the OECS treaty dealing with defence against external aggression. Adams said that the US approach had been made on 15 October, that the request for help by the Governor-General, Sir Paul Scoon, had been written on board USS *Guam* and delivered to him by a Barbadian brigadier, and that Britain had been apprised at all stages of OECS intentions and had been invited

[15] *Declaration of the Party and Revolutionary Government of Cuba Regarding the Events in Grenada* (Havana, 20 October 1983), p. 2.

o contribute forces. The British government never denied this: its concern was hat the more critically important US intentions were kept from it.

The question of these two pretexts for intervention is, however, eclipsed ıy the long-term implications. At their heart was the comment uttered in the louse of Commons emergency debate that 'small places throw up big prin-iples'.[16] These principles—of non-intervention and self-determination—led apidly to a deep split in CARICOM to the point where Adams demanded the ecall of the Trinidadian Ambassador and Guyana threatened future non-articipation. They also provoked anger in Latin America and, as reflected in he UN General Assembly, in the Third World. On the resolution spon-ored by Nicaragua, only El Salvador and Israel joined the six Caribbean par-icipants in the invasion in supporting the US position. An identical resolution ntroduced by Mexico had been vetoed by the United States in the Secu-ity Council. The votes in the UN and in the emergency session of the OAS uggested that US-Latin American relations had taken a turn for the worse 'he concern of the Commonwealth was not helped by US obstructionism. upported by Jamaica, to the formation of a Commonwealth police force to eplace its forces and oversee elections. The arrival of large contingents of US rmy engineers and proposals for a possible US base disappointed hopes for an arly withdrawal. America's relations with its allies—particularly Canada with s long history of involvement in West Indian trade and commerce, and Bri-ain—suffered. However, the repercussions in Britain related more to the in-rnal cohesion of the Conservative party than to Nato defence arrangements. s Herr Genscher of West Germany made clear, while the European Nato llies were highly critical of the action, there would be 'fierce resistance' to any ttempt to interpret this as weakening the Alliance.

Closer to the scene, US-Cuba relations, already poor, became so bad that ıe credibility of the understanding reached between the super-powers in 962 not to blockade or invade the island is now in doubt. But it cannot be enied that Cuba's influence in the Caribbean Basin has been considerably set ack; not only had Cuba to warn Nicaragua that it could not give assistance dequate enough to counter a full-scale US invasion but it was forced virtually close its important embassy in Suriname on the orders of the apprehensive volutionary military junta. The fears and reactions of the dispossessed of the aribbean Basin may ultimately counteract the boost that the invasion has iven to US public morale, frustrated over an inability to act effectively in the ebanon. Already a powerful Bishop legend has developed and, although the 'nited States was not responsible for his death, it could rally anti-mericanism in the region and make it more difficult to achieve acceptance of Euro-American type of democracy. Indeed, America's continuing involve-ıent will in all probability prevent participation of the NJM in the democratic rocess and so suppress indigenous socialism. As for the Grenadians, they will ot easily forget their revolution's brave attempt to tackle dependency. For in ıe Caribbean, dependency, like the poor, is always present.

[16] HC, *Official Debates*, Vol. 47, col. 308 (26 October 1983).

Energy and alliance politics: lessons of a decade

LINDA B. MILLER

Introduction

FOR students of alliance politics, the contrast between autumn 1973 and autumn 1983 could hardly be more striking. A decade ago, the Yom Kippur War was raging and the susequent oil embargo appeared to threaten the foundations of international and domestic politics for Western governments and Japan. Now energy has retreated from the front pages as an oil 'glut' continues and allied leaders are preoccupied with the impending deployment of Pershing IIs and cruise missiles in Western Europe. Yet, in 1982–3, the gas pipeline dispute was dividing Americans and West Europeans in potentially destructive ways. More recently, Iranian threats to close the Straits of Hormuz recalled the anxieties of the first oil shock, despite American assurances that Western military forces could prevent such action.

Like other political and economic questions that touch on vital interests of alliance members, energy issues may have a short life publicly, too short for their longer-term implications to be appreciated The purpose of this article is to use the perspective of a decade to assess the impact of energy issues on an alliance whose members function as both independent industrial powers and partners.

Since alliances are known to flourish when perceptions of a common enemy are strongest and to languish when such perceptions change, the ambiguous nature of threats to Western energy security has made it especially difficult for policy-makers to clarify suitable objectives in energy and appropriate instruments to attain them. Nevertheless, such clarification is needed, for energy is not merely a 'crisis' presenting leaders and societies with immediate options, it is a long-term security problem that poses choices just as it imposes constraints.

That the Western governments and Japan accept a similar definition of energy security is itself an accomplishment. But agreement that allies require access to fossil fuels at a tolerable price has not produced unanimity on the means of achieving the goal. Domestic limitations and structural asymmetries in resource bases hamper the formation of common approaches at the regional, European level as well as within the Western Alliance. There is no alliance-wide consensus that a multilateral dialogue with producers is superior to bilateral deals, or that diplomacy without force will be adequate during any future disruption of oil supply.

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The difficulties of raising a previously low political issue to the level of high politics have burdened Western governments already contending with shifts in major alliance priorities of defence and deterrence. Energy dilemmas unfolded as the development of strategic parity and détente seemed to be eroding America's hegemonic status in the alliance. While new institutional actors like the International Energy Agency (IEA) have helped alliance partners address themselves to energy issues, they have also exposed divergent interests. Moreover, the vagaries of oil, subject to market factors, have complicated the task for alliance planners. The rapid fluctuations in consumers' moods, ranging from concern over possible cut-offs to calm in periods of relatively stable prices, have meant that 'lessons' derived from either successive shocks or reprieves have been assimilated only partially and gradually. Indeed, such lessons may be more obvious to observers reviewing a turbulent decade than to policy-makers struggling with incomplete information about energy supply and demand.

In comparing three tests of allied unity in energy since 1973, it is clear that experience based on one set of events was not necessarily applied directly or effectively at a later time. In this respect at least, energy 'crises' are not *sui generis* in alliance politics, but rather resemble other cases. The oil shocks of 1973 and 1979, plus the Soviet gas pipeline dispute, revealed a persistent tension between individual and collective responses. The impact of those three episodes on the Western Alliance has been largely deleterious, yet the improvisational techniques used to cope suggest a residual strength, even though national interests continue to weigh most heavily in decision-making and to limit the possibility of greater consumer unity.

Two oil shocks revisited

In retrospect, the Western governments hardly needed the events of 1973-4 to realize that energy and security were linked. The embargo brought to a climax trends developing much earlier: the gradual shift from European coal and American domestic oil to Western reliance on Middle East oil, the rise of the independent oil companies, the relative decline of the 'majors', plus the general loosening of structures in the international system. Still, the coordinated Egyptian and Syrian attack on Israel and the subsequent oil embargo reinforced the growing dependence of Western allies on imported oil. When supply and price became problematic almost simultaneously, domestic ramifications began to loom large. Direct threats to national security, created by protracted reductions in oil supply, could be accompanied by heavy losses in employment. Not surprisingly, given unprecedented Arab unity against Israel, the absence of contingency plans and difficulties in finding petroleum substitutes quickly, Western governments reacted pragmatically and also erratically.

In alliance terms, the crisis was most notable for demonstrating the significant advantages of America's physical resources, military power and diplomatic influence, advantages it had become fashionable to denigrate. Equally, the crisis revealed the vulnerability of Europe and Japan whose middle rank

status it had become fashionable to exaggerate. Since the United States could withstand reductions in oil supply better than its allies, its officials disdained the frantic scrambling for bilateral European-Arab or Japanese-Arab deals, without public appreciation of Europe's or Japan's serious needs.

As the crisis unfolded, it also became clear that, while all consumers might be subject to large price increases as the balance between oil supply and demand tightened, the lack of consumer co-operation in supply need not preclude such activity in dealing with price. Finally, the crisis and its aftermath indicated that new institutional arrangements like the IEA could enhance the stature of energy in alliance councils and bind Japan more closely to Western energy planning. By offering concrete steps like an emergency oil-sharing scheme, the IEA represented a commitment to alliance reactions to future shocks, despite the prevalence of nationalist attitudes in confronting energy problems.

For these lessons to form the basis of a viable consumer strategy in anticipation of another shock, the allies would have to promote conservation at home and diversification of energy supplies abroad. Instead, in the five years between the first and second oil shocks, US oil imports increased as its domestic production declined, thereby raising European fears of tighter supplies for them at higher prices. Within Europe, efforts to foster common policies regionally foundered, as allies failed to agree on an appropriate floor price for North Sea oil and subsidies for coal. Some reduction in European oil import dependence was recorded and national conservation measures indicated an awareness that the era of cheap energy was ending.

In the fluid period between the first and second oil shocks, the Europeans remained essentially dependent on imported oil, although demand held at 1973 levels. Competitive bidding for oil became a consequential factor as US consumption and imports rose. The repercussions of the first shock continued to be felt in the domestic economics of the allies, but the sense of urgency diminished until the Iranian revolution of 1979. Then the second oil shock exposed the temporary character of lessons presumably derived from the events of 1973–4.

After the Iranian revolution, renewed bidding for oil on the spot market, especially by Germany and Japan, underlined the volatile nature of the oil market for Western governments and the shallowness of co-operation. In alliance terms, one important limitation of the IEA scheme was highlighted. There were no provisions for a 'sub-trigger' event—i.e. for IEA sharing in the absence of a 7 per cent shortfall. Moreover, by the second shock, the oil companies, whose role had been so crucial in redistributing supplies during the 1973–4 embargo, now had a reduced share of existing supplies, as government to government sales increased. Panic buying and market disruption ensued, while petroleum stocks remained low. Thus the second shock extended the lessons of the first jolt: large price increases could (and did) follow relatively small reductions in supply, and market corrections would not necessarily function as a regulatory device.

Taken together, the two oil shocks demonstrated that the alliance was not a major focus of decision-making for its partners. Energy challenges were still perceived as essentially national in character. In addition, the trade-offs between domestic imperatives and international obligations would be shaped by local resource bases, as well as by domestic institutions. Fairly stable attitudes could be discerned that would affect the prospect for a consumer strategy among the allies. For Germany, and subsequently the Reagan Administration, joint approaches must not downgrade market factors and upgrade regulations. For Japan, international co-operation is contingent on prior recognition of its unique vulnerability. For Britain and Norway, new oil and gas producers, common policies must respect domestic resource depletion schedules. For France, multilateral practices must not tamper with export markets for nuclear reactors or weapons sales, even if these imperil a non-proliferation regime that might otherwise be acceptable.

The two crises testified to the numerous factors in Western energy security that were beyond the allies' control, due to the continued importance of imported oil from the turbulent Middle East where revolutions, natural disasters, wars and sabotage could result in supply interruptions. Several techniques for coping, short of a well-integrated consumer strategy, might soften the blow, for example, plentiful stocks and a modicum of consumer restraint, which worked well during the outbreak of the Iran–Iraq war in 1980.

The two crises also raised the question of whether allied preparations to refight 1973 and 1979 might preclude advance planning for other unforeseen contingencies. The continued focus on the need for a more coherent consumer strategy (especially in academic and consulting circles) begged the question of whether such plans, if implemented, might be too confrontational vis-à-vis producers in times of relative scarcity and unnecessary in times of glut.

The gas pipeline imbroglio

The Soviet gas pipeline controversy that preoccupied American and West European policy-makers for more than a year dramatized fundamental differences towards relations with the Soviet Union in the guise of a dispute about energy supplies and dependence on external sources. By insisting that the issue be viewed in the East–West prism, the Reagan Administration politicized the matter in a way that sharpened differences between the US and its allies. The Europeans resented American attempts via sanctions to impose a 'hegemonic' view of East–West trade, extraterritoriality, contracts, export controls, and technology transfers on an alliance whose partners were more 'equal' than US officials were inclined to acknowledge, as memories of 1973 and 1979 faded on the continent.

American officials, in a vain effort to persuade the West Europeans to withdraw or delay, ignored trade-offs throughout the dispute. Charging that the West Europeans would become too dependent on Soviet oil and gas, US officials chose to forget the fact the Europeans were already buying these commodities and that, without them, they would remain more dependent on

Middle East oil. Similarly, in insisting that the pipeline was too costly and that the price of Soviet gas would be too high, American spokesmen failed to explain how US coal and discontinued synthetic fuels could substitute for either Middle East or North Sea oil, nuclear power and Norwegian or Soviet gas in European markets by 1990.

To European leaders, who had weighed strategic versus commercial considerations, American protestations about 'dependence' stemming from commercial deals with the Soviet Union were hypocritical, given American grain sales to the Soviet Union, financed in part by European hard currency. At the same time, they noted that the United States could easily obtain Alaskan, Mexican and Canadian gas, while for Western Europe, Soviet gas might well be cheaper than Dutch and Norwegian gas. The Europeans insisted that even a worst case scenario of a potential Soviet gas embargo would be less devastating than another Middle East oil embargo. For allies on either side of the Atlantic, these assertions underlined conflicting views of whether Western economic instruments could be used to alter Soviet behaviour in Poland or Afghanistan or to diminish Soviet military spending. They also betrayed differing assessments of whether steps taken to curtail trade and technology transfer hurt the West more than the Soviet Union itself.

Only when the allies improvised techniques to disentangle the contentious issues of energy, trade, credits and technology transfers was the quarrel diffused. By using 'studies' as a surrogate for negotiations, the allies bought time. In backing down from its untenable position on the pipeline, the United States might have pushed harder for gas security or fuel switching measures and provisions for a gas surge capacity in Holland and Norway. The Americans and the Europeans might also have acknowledged that, in general, fragmenting issues into separate facets might prevent sensible energy planning. In this instance, it did permit the allies to back down from positions that threatened to wreck consensus on a broad range of topics beyond energy.

The evident resolution of the pipeline dispute allowed the allies to avoid conflict at the Williamsburg summit in May 1983 and to promote energy tradeoffs in the IEA and OECD beforehand. Eager to repair the damage US sanctions had caused after the 1982 Versailles summit, the allies issued communiqués mentioning East–West trade and natural gas imports in neutral terms. The recent alliance accord on energy and trade issues cannot conceal the fact that the United States, Europe and Japan often place different emphases on strategic versus commercial values in securing energy supplies, due to their differing resource bases.

In alliance terms, the pipeline imbroglio showed, first, the futility of unilateral sanctions that required multilateral implementation; and, second, the gulf between American conceptions of energy security based on narrower military priorities and European views based on broader economic determinants. That the pipeline dispute has lingered on in the US bureaucracy, pitting the State and Commerce Departments against the Pentagon, indicates the staying power of energy issues that become embedded in the domestic

politics of alliance frontiers. In the Reagan Administration especially, the insistence that these issues be treated as part of the super-power confrontation precludes greater subtlety in policy formulation and execution.

Conclusion

A decade after the first oil shock, there is still a significant gap between theory and practice in Western energy planning, in part because governments must plan on the basis of widely divergent petroleum projections, often coupled with domestic constraints on natural gas prices, off-shore oil leases and nuclear power. Yet, there are a number of political institutions through which the energy policies and practices of the Western Alliance partners are supposed to be reconciled. Economic summit gatherings plus the IEA, the OECD and NATO, facilitate discussion of a comprehensive energy strategy integrating political, economic and military factors, yet these allied forums are cumbersome.

Moreover, almost any energy issue, whether the level and diversification of imports, conservation, sharing, stocks or petrodollar recycling, requires a larger setting than the American-European-Japanese relationship. In addition, alternating gluts and scarcities make it difficult to develop stable trade-offs or to differentiate real from contrived crises. Disparities in energy consumption and production continue to highlight the importance of the US role. If, as in the Reagan Administration, the United States overemphasizes market factors in oil, its own version of strategic factors in natural gas, its own ideological preferences in coal or nuclear power, while neglecting the Strategic Petroleum Reserve or existing information-gathering and rule-supervisory arrangements in the IEA, alliance energy strategies will remain underdeveloped.

Despite this sobering assessment of the potential for greater alliance cohesion in energy, a current working agenda is being shaped that reviews such issues as the link between Western economic recovery and energy demand, the role of petroleum stocks in influencing price and the place of gas imports in national energy plans. Obviously, there is an abundance of energy items suitable for alliance dialogue. Three tests of allied unity or disunity in energy have shown that a non-dogmatic treatment of these issues is essential.

Northern Ireland—towards EC involvement?

PAUL HAINSWORTH

HISTORIC and familial links exist between Ireland and the United States of America. As a result, considerable attention has been devoted to Irish-American perspectives on Northern Ireland. For instance, in a recent contribution to these columns, Raymond James Raymond maintained 'that Irish-America is making a sustained effort to comprehend the complexities of Irish history in general and the Ulster problem in particular'.[1] This author concluded by advising Britain to recognize the legitimacy of Irish-American interest in Northern Ireland. Similar pleas have been made on behalf of Europe or, more specifically, the European Community (EC). Indeed, in the 1970s, the former American President, Jimmy Carter, even promised American financial support for a European initiative on Northern Ireland. It is proposed, therefore, to examine in this article the prospect of EC involvement in the 'Northern Ireland problem' and, at the same time, to discuss some of the implications of such a course of action.

Parliament and Council

European interest in Northern Ireland is hardly novel but, arguably, less well documented than Irish-American perspectives on Ulster. Formal recognition of a European dimension to Northern Ireland occurred in 1973 with the entry of the United Kingdom into the EC. Whilst this dimension should not be exaggerated, increasingly from this date European institutions developed an interest in Northern Ireland. Inevitably, the EC has been incorporated into traditional political debate in Northern Ireland. Early examples of this process (discussed elsewhere[2]) could be found in the 1973–4 Northern Ireland 'power-sharing' Assembly and this body's philosophy; for example, power-sharing (between Unionists and Nationalists) was projected as a commonplace, European practice; Irish cross-borderism was institutionalized in a European context; the minority community's Social Democratic and Labour Party (SDLP) gave its support for Irish unity through Europe; etc. The inescapable implication was clearly that Europe had 'lessons' (in reconciliation of diverse interests) to teach Northern Ireland, that a European dimension might provide a way out of the local impasse or, as the SDLP came to argue, Europe could provide 'a healing force', 'a new horizon' for inter- and intra-Irish divisions.

[1] Raymond James Raymond, 'Irish-America and Northern Ireland: an end to romanticism?', *The World Today*, March 1983.

[2] See Paul Hainsworth, 'Direct rule in Northern Ireland: the European dimension 1972–1979', *Administration*, Vol 31, No 1 (1983).

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Despite the infamous fall of the power-sharing Assembly following the 1974 'political' strike of the Ulster Workers' Council (UWC) and impressive Westminster gains for anti-power-sharing Unionists in the 1974 general elections, the possibility of a European role in Northern Ireland had now slipped into local political debate. The 1975 UK Referendum confirmed (albeit narrowly) Northern Ireland's place in Europe and, in 1979, a controversial resort to proportional representational voting (an imported, European-cum-Irish device?) afforded the SDLP a persuasive European Parliamentary standard-bearer in John Hume. In the space of a few years, the EC provided a new forum and political variable for Northern Ireland. Unsurprisingly, in a war of propaganda, socio-economic debate has played second fiddle to political and sectarian themes. Seemingly 'neutral' European issues (e.g. the European Monetary System, the Common Agricultural Policy, the European Regional Development Fund, direct elections etc.) became inextricably bound up with political/sectarian arguments.

Since 1979, the directly elected European Parliament (EP) has provided ample opportunity to air Northern Ireland matters. For instance, much controversy formed round the possibility of a 'European verdict' on the H Block dispute and hunger strike at the Maze Prison. More recently, in 1983, the British government rejected the European Parliament's decision (by 110 to 43 votes) to ban the official usage of plastic bullets—a controversial weapon in Northern Ireland. A similar attitude has met the proposed investigation of socio-economic problems in Northern Ireland—by the Danish MEP, Niels Haagerup, on behalf of the EP's Political Affairs Committee. With all these examples, Unionist opinion has reminded the EP that it has no jurisdiction over domestic, political and constitutional matters. Nevertheless, local political arguments have been transferred increasingly to the European stage. This process of transference has taken various forms: for example, requests, often from Irish MEPs, to debate Northern Ireland under the guise of European Political Co-operation (EPC); pleas to debate the political and constitutional aspects whilst debating social and economic problems in Northern Ireland; protests from MEP Ian Paisley (Democratic Unionist Party) against the usage of Irish—a non-official language of the EC—during the Irish Presidency of the Council of Ministers; Unionist complaints against European Regional Development Fund aid for tourism in border 'bandit' areas etc. In short, Unionist opinion has strongly backed the British government's refusal to entertain any politicization in a European framework of the Northern Ireland problem. Of course, the label 'political' may be applied to economic, social, regional measures etc., if these are deemed likely to undermine the link with Great Britain. In contrast, the SDLP has endeavoured to involve the EC in Northern Ireland affairs in order to embarrass the British government and exploit propaganda opportunities.

If the EP has provided a forum for mooting Northern Ireland, the Council of Ministers has no wish to alienate the UK government by taking on board Northern Ireland. Undoubtedly, the Council is mindful of the argument that any

interference in the domestic affairs of the UK might have a contagious effect. For example, it could lead to discussion of West Germany's practice of occupational discrimination (the *Berufsverbot*) or the use of plastic bullets in Italy or Belgium. Council has no wish to open up a pandora's box of self-reproaches. Consequently, all presidents of the Council have refused to answer 'political' questions on Northern Ireland within the framework of EPC. Moreover, despite a sympathetic ear, the Council is unwilling to see Northern Ireland used as the guinea pig for a European housing policy. Thus, in 1983, the Council (particularly Denmark and Germany) rejected the idea of European finance to meet urban Belfast housing needs.

Britain has not hesitated to use Northern Ireland as a bargaining counter to plead the British case for budgetary rebates in the form of 'supplementary measures'. One result of this has been to fuel the debate over 'additionality' (i.e. are European funds additional to or instead of the UK's public expenditure in Northern Ireland?) and leave the British government attacked on all sides, locally, for refusing to pass on European monies. This, of course, is a well-trod debate and need not concern us too much here except to recall that the political mileage to be gained from criticizing the government and the Northern Ireland Office (NIO) is out of proportion to the comparatively small sums involved. It serves to remind us, however, that political perspectives have dominated Northern Ireland's considerations of the EC.

Despite the Council's understandable reluctance to involve the EC in the politics of Northern Ireland, it must be pointed out that Council summitry has at least provided a convenient meeting place for the British and Irish Ministers to discuss Northern Ireland. Arguably, this facility is unnecessary, given the bilateral movement towards Anglo-Irish diplomacy, independent of the Community umbrella. In fact, for various reasons, this process has been rather staccato and Europe has furnished useful rendezvous points—especially at times when Anglo-Irish relations have been lukewarm (e.g. due to the Falklands differences, the Hunger Strike, the decision to launch the Northern Ireland Assembly etc.). A consequence of Anglo-Irish summitry, within and without the EC context, has inevitably been to incorporate Europe as a villain in Unionist conspiracy theory. Allegedly, the European Community shares the goal of a united Ireland—along with the Foreign Office, the United States etc. This line of argument is voiced particularly by Unionists such as James Molyneaux (Official Unionist Party leader and MP) and Enoch Powell (Official Unionist Party). According to Powell, 'For the Foreign Office, what matters much more than a small province of the United Kingdom whose people are determined to uphold their right to be British, is the goodwill of Eire, of the vote-catching presidents of the United States and of the European nations, with their deep anti-British and (in some cases) anti-Protestant prejudices.'[3] For Molyneaux, too, the scapegoats were 'ex-Foreign Office civil servants who are determined to placate at all costs the Dublin Government, Irish Ameri-

[3] Quoted in Paul Hainsworth, 'Northern Ireland: a European role?', *Journal of Common Market Studies*, September 1981, p. 10.

cans and our enemies in the EC' whilst Ian Paisley (Democratic Unionist Party leader, MEP, MP) followed suit and decried the EC as a 'sinister backcloth' to Anglo-Irish summitry.[4]

Increasingly, conspiracy theory of the above nature has incorporated a European dimension. To the casual observer, such reasoning may appear surreal. However, it needs to be taken seriously for several reasons. First, as we have already noted, European integration has lent itself to the Irish reunification lobby. With the 1984 European parliamentary elections on the near horizon, this is unlikely to change. Second, the propagators of such conspiracy theory represent mainstream Unionist opinion in Northern Ireland. The Official Unionist and Democratic Unionist Parties dominate Ulster's contribution to the House of Commons. Third, the specific critique of Europe as a force for Irish reunification undermines the general image of the EC within Unionist Northern Ireland. With high unemployment, the decline of traditional industries, indigenous discontent with the Common Agricultural Policy, 'additionality' arguments etc., anti-Europeanism finds a fertile ground in Northern Ireland. In 1975, 52 per cent of the population voted 'Yes' for Europe—on a low poll of 47 per cent. Since the Referendum, there have been numerous signs of dissatisfaction with the workings of the EC. Europe is a facile scapegoat for local socio-economic difficulties and political manipulation of a European dimension serves to reinforce this image of the EC within Unionist ranks. Moreover, the EC is equated with un-Ulster values—cross-borderism, power sharing, compromise, the threat or reality of electoral reform (i.e. PR), Catholic social doctrine, the redirection of attention from cherished symbols (e.g. the Commonwealth, the Monarchy, Sovereignty etc.), the challenge to parochialism etc. Nor should it be forgotten that, in 1972–3, the EC suffered a bad start in Northern Ireland, since it was bound up with the Conservative government of Edward Heath, which prorogued the devolved Northern Ireland Parliament (Stormont), introduced direct rule and, allegedly, paid more attention to European membership than to the more pressing, immediate problem (distraction?) of civil unrest in Northern Ireland.

In short, the image of the European Community in Northern Ireland is greatly conditioned by the EC's capacity for disturbing traditional nests. Any European 'initiatives' on Northern Ireland need to digest this reality. At this point, therefore, it will be instructive to turn to the European Commission's perspectives on and involvement in Northern Ireland. To what extent is there a Commission perception of Northern Ireland?

The European Commission

The attitude of the Commission to Northern Ireland was summed up succinctly by Commissioner Richard Tugendhat at a Belfast dinner to celebrate ten years of EC membership: 'In Europe, the will to help exists, but people outside Northern Ireland are very conscious of the constant risk of causing offence, of being thought to take sides or to meddle.'[5] The Commission has tended to look

[4] [illegible] [5] *The Irish News*, 28 January 1983.

favourably on Northern Ireland, declaring it to be a high priority area in terms of grants and treatment. The region has also been seen as a suitable testing ground for such concepts as 'integrated operations', i.e. the extensive co-ordination of all EC grants, initiatives and policies within a given territorial space. Indeed, a special task force has sought to co-ordinate EC instruments. Further, especially since 1979, a flood of Commissioners and their aides have visited Northern Ireland, stressing the importance of on-the-ground contacts with locally elected representatives and with interest groups. Exponents of European integration have, accordingly, warmed to the argument that, if the vision of Europe was to be achieved, it had to succeed in problem areas such as Northern Ireland.

The Commission's involvement in Northern Ireland has largely excluded 'political' manoeuvres. However, on several occasions, Commission interventions have led to political controversy. For instance, the promise of European funds has raised false hopes at times. The elusive existence of a so-called 'crock of gold' has slipped in (and out) of local Euro-jargon. In practice, of course, the Commission has campaigned strongly to make European aid additional to national government expenditures and this has entailed making criticisms of specific national financial practices. In Northern Ireland's case, such critiques have complemented those of local MEPs and interests and, to some extent, undermined the Northern Ireland Office's *political* authority and representative functions. Under an 'ecumenical' barrage of Commission/MEP/party/pressure group/etc. criticisms, the NIO and UK government have been accused of expropriating European monies and refusing to match (pound for pound) public expenditure with prospective European funding. On several occasions, the UK government/NIO has been faulted for its apparent sluggishness in presenting requests for aid in Europe or taking up viable proposals. This critique would apply to such schemes as the extension of the Agricultural Less Favoured Areas and the prospective Belfast urban aid. In addition, argicultural interests question the UK's policy towards the CAP and farm prices. The end result of this pattern of discontent has been to disillusion local interests with the EC and/or the UK's management of Ulster's European interests. The Commission is left in an intermediary role of not wanting specifically to put the British government in the dock for failing in 'Europeanism' but, at the same time, anxious to preserve its role as the handmaiden of European integration. If, at times, the European Commission Office in Northern Ireland has too readily echoed MEP criticisms and politicking, in general, the Commission has endeavoured to follow Tugendhat's yardstick, i.e. interest without 'meddling'. Without doubt, local bodies see the Commission's interest as a useful seal of approval on indigenous enterprises, although the final word is in national government hands. Similarly, the Commission and the EC benefit from their association with local schemes (e.g. retraining schemes, infrastructural developments or diverse grant recipients)—whether or not this is additional.

To what extent can the Commission's interest in Northern Ireland be seen,

therefore, as a 'neutral' variable? In part, this is possible and has indeed been achieved. Initiatives have been accepted by all sections of the community in Northern Ireland where it can be argued that the general good of the 'region' will ensue. Nevertheless, the Commission is patently aware that little is perceived of as 'neutral' in Northern Ireland. Therefore, European aid for housing, infrastructure, roads etc. begs the perennial questions: Houses for whom? Roads to where—Ireland or the UK? Energy pipelines with the UK or with Kinsale (Eire)? Boosts for tourism—in which areas? In short, which section of the Northern Ireland community benefits primarily?

Swings and roundabouts

If, so far, this article has dealt with some of the difficulties of involving a European dimension in Northern Ireland, the picture is not devoid of positive experiences. Arguably, one of the most progressive features of EC membership is that traditionally fratricidal elements have come to recognize the value of presenting a united front in dealing with Europe and the NIO. In particular, the three MEPs (Paisley, Taylor and Hume) have demonstrated a common front in demanding sympathetic consideration of Northern Ireland's socio-economic problems. The most tangible manifestation of this was the Martin Report (1981) to the European Parliament. The Report discussed and catalogued a series of proposals, supported by the MEPs and designed to alleviate economic decline in Northern Ireland. The united purpose of the three MEPs has extended to other areas too—joint platforms inside Northern Ireland, economic missions to the United States, common cause over the 'additionality' question etc. Whilst the nature of these contacts should not be exaggerated (and traditional reflexes remain paramount), they indicate the scope for common action and register a plus for the European dimension.

A second positive feature of membership of the European Community has been the willingness to contemplate cross-border economic initiatives where these can be seen to be mutually advantageous. Of course, friction has continued in this matter, too, but cross-border studies, European aid for drainage and agricultural purposes, infrastructural improvements and, not least, the possibility of cross-border energy trade-offs (i.e. Southern gas for Northern electricity) have represented sensible, EC-supported developments. On the wider question of Anglo-Irish dialogue, we have already drawn attention to the European dimension. Some political observers welcome the trend towards discussing Northern Ireland within its rightful context, i.e. between two sovereign, responsible governments, with the essential participation of cross-community representatives for Northern Ireland.

A third area of significance is that the discussion of Northern Ireland has been transferred to a wider stage. In truth, this is an ambivalent progression but, provided the emphasis remains on debate, argument, information, scrutiny etc. and *not* jurisdiction, European interest is legitimate. For the South (Ireland), too, attention is likely to be focused on extradition procedures, unwillingness to support the Suppression of Terrorism Act and the role of the

Catholic Church in such areas as divorce and abortion. The airing of the Northern Ireland problem is a challenge to all 'parties', therefore, and not a cause for retreat. If Europe can assist this process, then all well and good. On the economic 'Achilles heel principle' also, Europe has a legitimate interest in Northern Ireland, since the economic decline of specific regions or areas weakens the collective strength of the European Community and sours the vision of closer integration. The remedy for this situation is not simply to urge Northern Ireland to put its house in order but, rather, for the national governments and the EC to reconstruct their regional strategy and incentives.

Fourthly, the evidence of European Community–Northern Ireland relations suggests that there are some reforms which could alleviate local anxieties and criticisms. For instance, repeatedly, there are demands for greater local involvement in European matters. This may be improved by further resort to discussions with and scrutiny by local bodies such as the Northern Ireland Assembly or local councils (albeit not too powerful institutions). Moreoever, the German *Beobachter* system has something to commend it and might be transplanted usefully to a Northern Ireland context. The *Beobachter* is a regional EC observer for the German *Länder* (regions) and may sit in on Council of Ministers or COREPER (Committee of Permanent Representatives) meetings and report back to elected, representative bodies. Although lacking powerful intervention functions, this EC observer partially satisfies the regional thirst for information and representation. An oft heard grievance is that decisions concerning Northern Ireland's European affairs are made behind closed doors and/or without adequate consultation. To be fair, the structures of consultation and information have improved gradually since 1973. For example, the Assembly does monitor and report on European matters whilst MPs, MEPs, the Commission Office in Belfast, political parties, the Economic and Social Committee etc. all play their role. Nevertheless, looking after Northern Ireland's European interests needs constant attention and pruning. Building on a decade's experience of membership of the European Community is potentially a positive enterprise.

In conclusion, this short contribution has concentrated on some of the difficulties surrounding the notion of a European involvement in Northern Ireland. By placing the emphasis on the limitations of European initiatives, the main concern has been to illustrate reservations towards the inappropriateness of certain avenues and, at the same time, alight upon one or two of the positive features of EC membership. If the treatment has been cautious, the main lesson is not that Europe has *no* role or lesson to give Northern Ireland but, rather, that European involvement should be aware of the pitfalls confronting it. Neither 'a leap in the dark' nor detached disinterest is recommended. European interest *is* legitimate and to be welcomed provided it is situated within the framework of clearly demarcated realms of responsibility.

White South Africa—into the political unknown

JAMES BARBER

ON 2 November 1983, after a long, bitter campaign, the white electorate of South Africa voted strongly in favour of a new Constitution.[1] The South African government was delighted and relieved that its constitutional proposals had been accepted and it had fought off a strong challenge from the white opposition parties. Yet the government's satisfaction must be tempered by the knowledge that the constitutional dispute has torn Afrikanerdom apart, revived black African opposition to the government's policies and left great uncertainty about future political and constitutional developments.

The Constitution

The two features of the new Constitution that have gained most attention are, first, the opportunity for direct participation in the government for Coloureds and Indians, and, second, the exclusion of black Africans, who, according to the government, have an alternative constitutional route through the 'Homelands' policy.[2] The Constitution is so novel and complicated that as yet nobody can be certain how it will operate. But, as a senior Minister said, complex problems require complex solutions.[3]

The constitutional structure is built around four institutions—a multi-chamber Parliament, an Executive President, a Cabinet and a President's Council. The Parliament has three separate chambers—one white with 178 members, one Coloured of 85 members and an Indian chamber of 45 members. Each of the chambers will be responsible for 'own affairs', i.e. those matters, such as education, which are limited to the community it represents. For 'common affairs', the approval of all three chambers will be sought, and joint standing committees drawn from separate chambers are expected to play an important role in reconciling differences that arise.

The President, who is not a member of any of the chambers, will be elected for five years by an electoral college, drawn from the three chambers and comprising 50 Whites, 25 Coloureds and 13 Indians. The President selects the Cabinet (from people outside as well as inside Parliament) and chairs its meetings. While the Cabinet as a whole deals with 'common interests',

[1] Out of 2,062,469 whites who voted in a 76 per cent turnout, 1,360,223 (66 per cent) voted in favour, and 691,577 (34 per cent) against.

[2] I have distinguished between Coloureds, Indians and black Africans, but when grouped together I have described them as 'black'.

[3] Personal communication.

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separate Cabinet committees deal with their 'own affairs'. The President decides which matters are 'own affairs' and which are 'common'. Finally there is to be a President's Council, composed of members drawn from and chosen by the parliamentary chambers (20 Whites, 10 Coloureds and 5 Indians), 15 Presidential nominees and 10 chosen by opposition parties. The Council, which will advise on matters of 'national importance', including legislation, may be asked also to advise the President on whether a matter is of 'own' or 'common' concern, and it can give verdicts binding on all parties in cases of conflict between the chambers.

Drafting a Constitution is one thing; predicting its operation is another. It is rather like moving into a new building: the structure imposes limitations on those who are going to live in it, but it also provides space that can be used in a variety of ways. Dispute about the use of the space in the new South African Constitution has been a central issue of political conflict. For those outside the white political system (and that includes the blacks of South Africa), it is difficult to understand the depth of feeling and bitterness that has been aroused. From the outside, many have concluded that nothing fundamental has changed. The cards may have been reshuffled, but the rules of the game (to ensure continued white control) have not. However, for white South Africans, and particularly the Afrikaners, fundamental issues are involved, both about the relationship between the races and the unity of the Afrikaner *volk*. When the executive of their powerful *Broederbond* decided to support the Constitution, Professor Carel Boshoff, the son-in-law of the late Dr Hendrik Verwoerd and a former chairman of the *Broederbond*, resigned from it claiming that the executive had placed the interests of the National Party 'above the interests of the Afrikaner people'. 'We have come to the parting of the ways,' he said, 'between those who want to follow the path to mixed government, and those who want a separate self-determination for all South Africa's peoples.'[4]

Naturally, the government has presented the Constitution in its most favourable light; and, in trying to maximize its support, it has given different interpretations to different audiences. It has used resounding but vague phrases to advocate the reform, proclaiming that 'healthy power sharing' would lead to a 'democratic dispensation', give 'an effective say to individuals and population groups without the domination of any one group', and ensure 'self-determination' for each population group in its own affairs, with 'co-responsibility' in common affairs.[5] Within such a broad framework there was scope to reassure both the Afrikaner farmers of the *platteland* that white control and the continued identity of the Afrikaner people were assured, and urban English speakers that the new Constitution was one step in a process of measured reform which offered security but whose ultimate end could not be predicted. Because the new Constitution means different things to those

[4] *The Guardian*, 1 November 1983.

[5] See *Constitutional Guidelines: A New Dispensation for Whites, Coloureds and Indians* (South African Department of Foreign Affairs Publications Division, December 1982)

who have supported it, the government could run into future criticism that it has misled people, or even betrayed a trust.

The parliamentary challenge

The government's position was strongly challenged in Parliament by the main white opposition parties. In introducing the second reading of the constitutional legislation, Mr J. C. Heunis, the Minister of Constitutional Development and Planning, said that the Constitution was based on a 'unity in diversity model', which recognized the country's 'multinational heritage' In that sense (i.e. the claim that South Africa is made up of diverse nations—Xhosa, White, Zulu, Coloured and so on—none of which forms a majority), Heunis was restating a principle of apartheid. In such circumstances, he said, the winner-take-all outcome of the Westminster parliamentary model was inappropriate, for it must always lead to one group dominating the others. In contrast, the new Constitution offered a sharing and dispersal of power with different peoples looking after their 'own affairs'. He denied that Africans were being excluded from constitutional development and again argued along apartheid lines that 'Black constitutional development has gained momentum towards different and separate structures for black nations.' The government would not be diverted from taking the black nations further along that road.

On the controversial topic of Presidential powers, Heunis recognized that, in some respects, the President would have more power than the Prime Minister. Yet he certainly did not have the unlimited powers that had been suggested. In relation to 'own affairs,' he had to act on the advice of the particular Ministerial Council, and on most 'general affairs' he had to consult the Cabinet. He had no legislative powers, his term of office was limited and he could be ousted by a 'no confidence' motion. The President was not an authoritarian figure; he would constantly have to search for consensus and the resolution of differences.

Heunis did not confine his remarks to the detail of the Constitution. He spoke about its spirit. He saw it bringing the peoples of South Africa closer together in a working partnership. He called for a change of political style, away from polarization to reconciliation, so that the participants in the new Constitution would 'refrain from continually opposing and reviling one another for the sake of petty, sectional political gain'.

If Heunis was seeking saints rather than politicians for the new Constitution, he did not find them in the existing Parliament—for the government immediately came under attack from both ends of the political spectrum. Dr F. van Slabbert, the leader of the liberal Progressive Federal Party (PFP), criticized the Constitution on three grounds. First, the government had failed to consult all sections of the population before drawing up its proposals, demonstrating its inability to appreciate 'the validity crisis' that any new proposals faced in a South African context. Second, the new Constitution was not designed as a step in a continuing process to bring all the peoples of South

Africa within one governmental system: it aimed to exclude indefinitely the Africans who made up 70 per cent of the population. The constitutional development of the Whites could not be separated from that of the Africans, van Slabbert said. Finally, he asserted that, far from dispersing power, the Constitution would concentrate it even further in the hands of the majority white party; the latter would control not only the white chamber but choose the President who would then exercise his patronage to the party's advantage: political control by one party 'has deliberately been compounded, nourished, and entrenched'. While the aim should be to break down racial barriers and offer positive roles for different political parties, this Constitution did neither. Instead, its concentration of power was pointing the country to white 'dictatorial rule'.[6]

The Conservative Party was equally vehement in its denunciation of the Constitution, but for quite different reasons. Dr Treurnicht, the party leader, said that the Constitution was 'treason against nationalism', and particularly Afrikaner nationalism. He did not deny the rights of the Blacks, Coloureds and Indians to self-determination, but that must be achieved separately. This Constitution aimed at sharing power. Treurnicht's clear message was that whites were not prepared to relinquish their political power. It was realized that if one shared power with others, one lost it. Heunis's arguments were turned against the government. If, as the government said, Coloured and Indians had rights to a direct voice in government because they lived in the same state as the whites, how could the same right be denied to the urban blacks? If the working of the Constitution depended on tolerance and favourable attitudes, then why not tolerate the urban blacks? In fact, Treurnicht said, it was not tolerance that the whites were being asked to exercise but the abandonment of their sovereign state and their nationalism. The Afrikaners (and Treurnicht sometimes equated 'Afrikaners' and 'Whites') were being told that they 'must now be ashamed of being white. . .that to be white is an injustice to non-whites'. In reality, the Constitution was introducing political integration. 'Different ethnic and racial groups with conflicting ideals and with many conflict-causing factors are being amalgamated in one Parliament.' Ahead, he said, lie conflict and power struggles, because people were being brought into the government 'who have already said that racial classification, separate group areas, separate residential areas and separate representation must be abolished'.[7]

The campaign and the old order's disintegration

The South African government was not obliged to put the new Constitution to a referendum: it could simply have pushed it through Parliament where it has a large majority and then implemented it. After some hesitation, P. W. Botha, the Prime Minister, decided on the referendum, partly to satisfy internal party disquiet that the government should not be seen to be acting without

[6] South African House of Assembly Debates, 16 May 1983, Cols 7045–63 and 7065–74

[7] *ibid.*, Cols 7086–96.

the full support of the white population. But the decision also showed Botha's undoubted political courage. However, the long period between the announcement on 24 August and the voting on 2 November may have been a miscalculation. Perhaps the government hoped that white opinion would be mobilized behind it as the campaign developed. On the basis of the vote achieved, it can indeed be argued that this happened, for 66 per cent voted in favour.

What cannot be ignored, however, is that the campaign served to underline, first, the diversity and confusion in white political thinking, second, the depths of the division in Afrikanerdom and, third, Black suspicions of government intentions. The campaign acted as a catalyst, activating the tensions in South African society. These tensions remain despite the government's referendum victory.

The last decade has witnessed the collapse of the simple structure of white politics built up in the years following the first National Party victory in 1948 —a ruling National Party, supported by the great bulk of the Afrikaners and opposed by the United Party, which was Afrikaner-led but looked for most of its support to the English speakers. After a remarkable demonstration of political survival for a party that had no chance of achieving power and nothing new to say, the United Party gradually fell apart. Some of its more conservative members formed the small New Republican Party (NRP), other conservative supporters transferred their allegiance to the National Party, while the more liberal members joined the PFP. Like the old United Party, the PFP has an Afrikaner leader (van Slabbert), but draws its main support from English speakers. Having won 20 per cent of the vote at the last election, it forms the largest opposition group in Parliament.

While the opposition was reforming itself, the governing National Party ran into its own difficulties. The first serious sign was the breakaway of a 'right-wing' group in 1969 to form the Herstige Nasionale Party (HNP). The government succeeded in countering this potential parliamentary threat and the HNP never won a parliamentary seat. However, the National Party's internal tensions persisted, as witnessed by the by division into *verligte* ('enlightened') and *verkrampte* ('hard-line'), the demise of John Vorster, the Muldergate affair, and the rivalry surrounding the leadership contest that led to P. W. Botha's election. The party was divided by policy, personality and province. The internal squabbling eventually led to a major division in 1982, when seventeen MPs broke away to form the Conservative Party (CP),[8] thus splitting not only the parliamentary party but also the whole of Afrikanerdom. The Afrikaners have been united by a sense of *volk* (national indentity), and through interlocking, exclusive institutions—churches, schools, universities, youth and women's clubs, the *Broederbond*. The political fissure has extended right through these bodies. The fiercest struggles between government and Conservatives have come in the Transvaal, where CP strength was underlined in May 1983 in a series of by-elections, brought about by a reckless parliamentary

[8] See James Barber, 'Afrikanerdom in disarray', *The World Today*, July–August 1982.

challenge from Fanie Botha, the ex-Minister of Manpower, to Dr Treurnicht, the CP leader, to test their respective strengths at the polls. In these by-elections, the Conservative Party gained substantially at the expense of a badly bruised National Party and Fanie Botha only just hung on to his seat.[9] Plainly, the CP was a force that the government could not ignore. However, the referendum results in the Transvaal, in which the government gained 60 per cent support, indicate that the National Party in the Province is regaining ground under the energetic leadership of Mr F. W. de Klerk, seen by some observers as a future party leader and President.

Nevertheless, the divisions among the Afrikaners and the whites in general were fully exposed by the referendum campaign. The apparently straightforward choice between 'Yes' or 'No' to the question 'Are you in favour of the implementation of the Constitution approved by Parliament?' masked the diversity of white attitudes and interests. As in Parliament, the 'No' vote was made up of the most conservative and the most liberal voters. The Afrikaner parties of the Right—the Conservatives, led by 'Dr No' (as Treurnicht became popularly known) and the socially down-market HNP, declared that the new Constitution would destroy the racial structure on which South African society was built, threaten Christian standards by allowing Hindus and Muslims into a mixed government, and put the country on the slippery slope to black majority rule.

These right-wing Afrikaners were joined in the campaign against the Constitution by liberal whites, led by the PFP. Their arguments were that, far from bringing the races together, the Constitution would increase racial tension by excluding the black Africans who constitute the bulk of the population and giving the Coloureds and Indians a permanently subordinate position. The dissatisfaction with the President's powers voiced in Parliament was echoed strongly in the 'No' campaign, as were fears that a single white party would dominate all. For example, Ken Owen, political correspondent for the South African *Sunday Express*, pointed out (in an article on 18 September 1983) that the President would be the nominee of the majority party in the white chamber, because it can choose all the white members who form a majority of the Presidential Electorial College. The President can then exercise his wide powers of patronage in favour of his own party. The result, Owen argued, is that if the National Party won an election, 'the electoral college will be dominated by Nationalists, the State President will be a Nationalist, the President's Council will be dominated by Nationalists. . . And if there is an irrecon cilable conflict with the Coloured or Indian legislators, it will be resolved by the Nationalists in the President's Council'.

The criticism of the new Constitution was strong; but despite the vigorous fight of the 'No' campaign, the government won easily. Why? The government's critics will point to its control of the broadcasting media, the way its

[9] Dr Treurnicht won at Waterberg for the Conservatives. In the three other by-elections, the National Party won (including Fanie Botha at Soutpansberg), but in all cases the opposition parties combined polled more than the government.

message was wrapped in different covers for different customers, the traditional loyal vote of many Nationalist supporters and the fact that some of those who voted 'Yes' did so, not because they accepted the government's views, but because they hoped to break the old mould of South African politics—to take the lid off Pandora's box. However, in the light of the government's convincing victory, these reasons can only be marginal factors in the decisive answer of the white voters. It is plain that the government succeeded in putting across a difficult message and a complex Constitution by convincing the white electorate that 'evolutionary reform' (as P.W. Botha described it)[10] was in their best interests. In contrast with the Conservatives, the government succeeded in creating an image of the future, however vaguely drawn, while their Conservative opponents always seemed to be looking to a past. In contrast with the PFP, the government conveyed stability as well as mild reform in the face of an uncertain and insecure PFP option Occupying the middle ground, the government not only retained majority Afrikaner support but also attracted many English-speaking votes across party lines. Some of the largest government majorities were in English-speaking areas, such as Natal and the Eastern Cape.

An uncertain future

Looking to the future, three main political tasks face the government: first, to re-establish a secure base of white political support; second, to implement the new Constitution; and, third, to respond to the demands of the black Africans. None of these tasks is easy.

After the resounding referendum victory, it may seem odd to suggest that the National Party will have to rebuild its white political base, but the vote in favour of the new Constitution was built on an insecure alliance which cut across party lines and was composed of a large English-speaking vote combined with the relatively smaller Afrikaner support that the government now commands. Two obvious options lie ahead for the National Party. One is to regain the lost Africaner support, the other to cement the new English-speaking support. Doubtless both options will be pursued in the breathing space the party will enjoy, given that there will not be a general election until the new Parliament has run its full course.

Winning back the right-wing Afrikaner vote will be diffcult. The passions and the bitterness roused in the campaign will not be easily forgotten; and, although it did not carry the day in the referendum, the clear simple message of the Conservative Party—to resist change and hold on to the apartheid structure—is compelling for people who believe that their very existence is at stake. The National Party leaders recognize that reconciliation with the leadership of the Conservative Party is unlikely, but they still hope to win back 'the good people' (as one Minister described them) who have been misled.[11]

Yet, such aspirations could create problems for the party's other aim of trying to win over the English speakers. If the National Party leadership ap-

[10] *The Times*, 4 November 1983. [11] Personal communication.

pears more concerned to reconcile 'right-wing' Afrikaners than to secure the middle ground of white politics, the English speakers again may look elsewhere. The government recognized the importance of the English-speaking vote in the referendum campaign by organizing large-scale meetings in English-speaking areas, and working in direct harness with the NRP, which also supported the Constitution. But for this to be built on, questions remain to be answered about the role of English speakers in the National Party and the government generally. The National Party has been and continues to be predominantly Afrikaner, and its welcome for the votes of English speakers has not been extended to their ideas or given them scope for participation, both as regards party political posts or jobs inside the overwhelmingly Afrikaner bureaucracy. The government might well answer that the English speakers have not put themselves forward in the past, and there is some truth in that. But if the National Party now wants large-scale English-speaking support, the leadership will have to create the conditions in which English speakers can feel that it is their government as well as that of the Afrikaners. That is not easy in a party and a government still bearing the clear stamp of Afrikanerdom.

Similar and probably even greater problems will arise in relation to the position of the Coloureds and Indians in the new Constitution. Because of its novelty and complexity, it would be difficult to implement even without deep racial differences. However, racial differences not only exist but also form an inbuilt feature of the Constitution. One danger for the government is that the Coloureds and Indians (other than a few 'Uncle Toms') will boycott the Constitution, leaving Mr Botha open to the accusation that he has abandoned the existing parliamentary system and split the Afrikaners for the sake of an unworkable Constitution. An alternative danger is that Coloured and Indian leaders will participate, but only to use their new constitutional position to undermine the policies advocated by the National Party and to challenge the security the whites are seeking. In these circumstances, the processes of government, far from reflecting the tolerance and agreement for which Heunis called in Parliament, would be characterized by constant tension and constitutional crises. In such conditions, the only way to govern, other than being hostage to the Coloureds and Indians, will be to impose the Presidential dictatorship which government has declared is not its intention. An additional problem will be to find places in the government for Coloured and Indians prepared to co-operate. As with the English speakers, if 'power sharing' is to mean anything, it must imply the provision of both political and senior civil service posts. It may, in fact, prove easier to appoint Coloured and Indian ministers than to overcome the opposition of an entrenched white civil service. Meanwhile, the Coloured and Indian communities and their leaders are deeply divided over the attitude they should take to the Constitution.

By far the greatest single future problem concerns the place of black Africans who have not been given a part in South Africa's new Constitution. Although the government insisted that they were not excluded from the constitutional arrangements because they have an alternative route through the Homelands

policy, it did respond to mounting criticism by setting up a Cabinet committee to look into the position of the urban black Africans. During the referendum campaign, the committee naturally made little progress; but the Prime Minister has said that, while majority rule was 'out', the referendum was not the end of 'honest endeavours' to solve problems between the government and the black population, and he repeated the undertaking immediately the referendum result was known. However, the committee is faced from the start with a set of assumptions, and surrounded by constraints, inherited from past policy. The basis of the government's thinking appears to be that the Homelands' arrangement looks after those black Africans who: (a) are permanently resident in the Homelands (roughly 50 per cent according to official figures); (b) work in 'white' rural areas but have no permanent rights (about 20 per cent); and (c) live in black townships inhabited by a single predominant African tribe (say, another 20 per cent). That would leave only about 10 per cent of the black population (i.e. those who live in mixed black urban areas like Soweto) excluded from present constitutional structures. According to the government, it is they who are the problem because they are not catered for. It will be the task of the Cabinet committee, to make provision for them and it seems prepared to discuss options—from increased local autonomy to independent city states.[12] During the campaign, P. W. Botha recognized that through economic necessity there would always be Africans living outside the Homelands; he believed in devolution of power for them, but on this occasion he only referred to local powers—'local management boards' which would have more powers than ordinary municipalities. 'For instance', he said, 'they will be allowed to a certain extent to control their own law and order and their own health service'.[13] Yet, on another occasion, he spoke of 'new and imaginative forms of constitutional justice and equality for all South Africans'.[14] The Cabinet committee will probably be prepared to look at a wide set of options.

If the government's problems about black Africans were confined to the 10 per cent in mixed urban areas, that would constitute difficulty enough. But the referendum campaign demonstrated that the government assumptions are unfounded, and that the Homelands policy does not satisfy the claims of most black Africans, including many of the Homeland leaders—the very people the government relies upon to implement its policy.

One of the most important side products of the referendum campaign was the revival of open black political activity. Perhaps the government could have anticipated the emergence of a movement like the United Democratic Front (UDF) which campaigned vigorously against the Constitution, and was composed of those (black and white) who previously rejected the Homelands policy. Nevertheless, the size of the movement and the wide range of its support clearly disturbed the authorities and they banned several UDF meetings.

[12] Personal communication.

[13] Interview with P. W. Botha, *Leadership S. A.*, Spring 1983, Vol. 2, No. 3, p. 17.

[14] *Daily Telegraph*, 11 October 1983.

Perhaps the government could also have anticipated the opposition of Chief Gatsha Buthelezi, who has refused to accept 'independence' for the Zulus. During the referendum campaign, he campaigned vigorously alongside the PFP against the new Constitution, telling the whites that if they voted for it they would isolate themselves from the blacks, who would be compelled to use their worker and consumer power to make the whites come to their senses and negotiate for the future. 'Blacks', Buthelezi said, 'will destroy this Constitution—around your factories, around your houses, and in everything you do'.[15] He told white meetings that 'Your fate is interwoven with the fate of the rest of South Africa. You will be outnumbered by Africans; you will need an African leadership acceptable to Africans.'

The government may have anticipated opposition from the UDF and Buthelezi and even more from the African National Congress (ANC), which has rejected the Constitution as a sham and called for renewed revolutionary activity. It is unlikely, however, that it foresaw opposition from other Homeland leaders. Six of the ten Homeland leaders (including Buthelezi, and Chief Kaiser Matanzima, the President of the Transkei, the first 'independent' Homeland) issued a joint declaration in which they rejected not only the new Constitution but also the Homelands policy. They called for a national convention which would agree a constitution acceptable to all South Africans. Their statement said that the new Constitution would entrench white supremacy by excluding the majority of the population, and by dividing the country into racially antagonistic camps, which could only lead to violence. They added that the Constitution rested on 'the false assumption that the Homelands system could be realized in practice', and they pledged themselves to work for the reintegration of their territories into 'a greater South Africa' based on non-racialism, democracy and equal distribution of land and wealth.[16] In a separate interview, Kaiser Matanzima described the constitutional proposals as an insult to blacks.[17] Instead, he spoke of his hopes of reuniting blacks through a black federal parliament, which would include blacks living in the whole of South Africa and not just the Homelands. Such a prospect is in direct opposition to the South African government's policy, which Matanzima had supported previously.

The uncertainty surrounding the future of the black Africans characterizes the present state of South Africa's politics. The whites are still firmly in control, but gone are the days of Verwoerdian certainty that apartheid policies offered a long-term solution to South Africa's race relations. Although the government leaders had to concentrate all their energies on winning the referendum campaign, even they accepted that the new Constitution is only one step in a continuing process. Where future steps will lead is uncertain as South Africa sets off into the political unknown.

[15] *Rand Daily Mail*, 8 September 1983, *The Guardian* 7 October 1983

[16] *The Times*, 6 October 1983. [17] *The Observer*, 16 October 1983

Zimbabwe—only teething troubles?

TONY RICH

THE hopes for peace and prosperity which greeted the independence of Zimbabwe in April 1980 have not been entirely fulfilled. The new state's critics, and particularly the right wing of the British Conservative Party, have been quick to remind us that they predicted tribal conflicts between the Shona and the Ndebele, the implementation of a one-party state, economic decline as the whites left, and an increasing disregard for the rule of law.[1] Unfortunately, concentration on such issues tends to be the extent of much of the reporting in the Western media of developments in Zimbabwe. Although these developments undoubtedly require further discussion, there are other significant questions, notably concerning the pace of social and economic change and land resettlement, which also warrant attention and analysis.

Continuing regional and ethnic divisions

Regional divisions combined with, rather than subordinate to, ethnic differences have led to a series of armed confrontations, first, between the faction of the national army loyal to respectively Robert Mugabe's Zimbabwe African National Union (ZANU/Patriotic Front) and Joshua Nkomo's Zimbabwe African People's Union (ZAPU), and, more recently, between government forces and 'dissidents' allegedly loyal to Nkomo. The division between the Sindebele-speaking western region and the rest of the country, already apparent during the latter stages of the guerrilla campaign and confirmed by the 1980 election results, appears to have been accentuated in the immediate period following independence, especially after Nkomo's dismissal from the government in February 1982.

The sacking of Nkomo and three other ZAPU ministers in the wake of the discovery of large numbers of arms caches on ZAPU-owned farms may have been justifiable on the grounds of state security; but such action clearly added to the already ripe distrust of central government in Matabeleland over what was considered to be insufficient ZAPU representation in the Cabinet and the demotion of Nkomo from the Home Affairs Ministry in January 1981. Nkomo's dismissal, and the subsequent acrimony between the two parties, led to an increasing number of desertions from the national army by former combatants of the Zimbabwe People's Revolutionary Army (ZIPRA)[2] and prompted some of them to take up arms against the government from March

[1] For a recent Socialist critique of the Zimbabwean government's failure to implement meaningful changes, see André Astrow, *Zimbabwe: A Revolution that Lost its Way?* (London. Zed Press, 1983).

[2] Estimates of the number of deserters in early 1983 varied from 2,000 to 4,000.

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last year, culminating in the spate of armed violence in Matabeleland during late 1982 and 1983.

The alienation of former ZIPRA guerrillas was compounded by the increasing disenchantment of the ordinary people of Matabeleland with the central government in Harare (formerly Salisbury). The limited support, or perhaps tolerance, of at least some Sindebele-speaking people for the 'dissidents',[3] their erstwhile liberators, led to harsh government measures against the local people to flush out dissidents and discourage eventual supporters; yet, in many cases, this merely added to popular resentment towards the central government. The latter, seemingly not having learnt from the independence struggle the important lesson that political problems could not find a long-term solution by military means,[4] in early 1983 deployed the North Korean-trained Fifth Brigade in Matabeleland in an attempt to dismantle the logistical support which the dissidents were believed to enjoy in the rural areas. The Fifth Brigade was composed almost entirely of former Zimbabwe African National Liberation Army (ZANLA) cadres and trained in isolation (and in considerable secrecy) away from the bulk of the national army; together with other national army units, it was accused of committing atrocities against innocent civilians by several sources, including the Roman Catholic Bishops' Conference, and it was estimated that between 1,000 and 2,000 civilians had died in Matabeleland in early 1983. Nkomo clearly saw the Fifth Brigade as an instrument of Shona domination and he described it as 'a tribal and political army come to wipe out the Ndebele'.[5] For the government, on the other hand, it was politically the most reliable brigade in the new national army and thus admirably equipped to deal with the dissidents' campaign of violence, which had claimed some 150 lives. In fact, the Fifth Brigade's brutal actions seemed sufficiently purposeful to indicate an intention to cripple, if not entirely destroy, ZAPU's political infrastructure within Matabeleland. Nkomo accused the government of 'using the dissident problem to crush ZAPU'.[6] Such heavy-handed tactics inevitably exacerbated regional and ethnic antagonisms, leading one ZAPU activist to remark that he had 'never known' tribal feelings 'whipped so high'.[7]

[3] The government seemed to lump together bandits (who were also taking advantage of the availability of large numbers of weapons after the war) and those politically disaffected under the name 'dissidents'.

[4] Mugabe, for instance, claimed in January 1983 that 'ZANU won the country through the barrel of the gun and it will use the gun to destroy dissidents and safeguard the country's independence'; *Sunday Times*, 27 March 1983.

[5] *The Guardian*, 28 February 1983. While press estimates of those killed ranged from 1,000 to over 2,000, Nkomo alleged on 17 August 1983 in the House of Assembly that '3,000 or more' had died.

[6] *International Herald Tribune*, 21 February 1983 One Matabeleland witness observed that the 'targets' of the Fifth Brigade had been 'ZAPU officials, teachers, nurses and young men suspected of fighting with ZIPRA during the war'; *The Guardian*, 2 February 1983 Other sources claimed that the Fifth Brigade arrived in villages and townships with lists of local ZAPU officials and activists, who, sometimes along with their families, were detained or killed. *Africa Now*, April 1983.

[7] *The Guardian*, 10 March 1983.

The state of the parties

Clearly, few of the nine parties which contested the 1980 elections were likely to play a significant role in post-independence politics, but the zeal with which ZANU/PF leaders have tried to sweep aside all other political organizations in their desire to create a one-party state has frightened those committed to a more pluralist form of democracy. Apart from the sporadic activity of Ndabaningi Sithole's ZANU and Bishop Abel Muzorewa's United African National Council (which strongly challenged ZANU/PF for second place in the 1981 Bulawayo municipal elections), the field has been left clear for ZANU/PF to attempt to turn its alliance with ZAPU during the guerrilla war into a political merger under ZANU/PF hegemony. Mugabe declared in January 1982 that it was 'not a matter of whether' a one-party state was feasible, but 'when it shall come about';[8] and later in the year he promised that at the next election ZANU/PF would 'openly tell people that if they elect us we are going to establish a one-party state'.[9] Nevertheless, the party leadership has frequently stated that a one-party state would only be created on the basis of consensus. The events of late 1982 and early 1983, however, suggest that a *de facto*, if not *de jure*, one-party state may be established in the not too distant future, the more so as ZAPU appears to be in considerable disarray. During Nkomo's five-month period in exile from March to August 1983, with ZAPU's senior military leadership in detention and the party's political infrastructure in certain areas of Matabeleland (particularly surrounding Bulawayo) and in the Karoi–Chinhoyi area of Mashonaland under severe attack in the government campaign against dissidents, evidence seemed to support Eddison Zvobgo's claim that ZAPU had dismantled itself.[10]

Such a glib dismissal of the major opposition party should not, however, be readily accepted, and Nkomo's return to the political fray makes ZAPU's future less easy to predict. Yet, even before the government's blows against ZAPU in 1982–3, several reports of growing divisions within ZAPU centred on the dissatisfaction felt by many younger, more radical party members with the older, and particularly the Shona, elements in the leadership. There were also considerable differences of opinion in the party's central committee in early 1982, after Nkomo's dismissal from the government, over the question of whether ZAPU members should continue to participate in the government or become an out-and-out opposition party.

ZANU/PF, for its part, also faces problems, though of a different nature. The 1980–1 local election results showed that the party's influence had, if anything, been eroded in Matabeleland since the independence elections. Whereas recent local elections—where the ballot was not conducted in secret—have resulted in large majorities for ZANU/PF, a secret ballot in Gwanda, where holders of ZANU/PF membership cards were in the majority, returned ZAPU councillors. Events since independence suggest that if ZANU/PF is to succeed in creating a one-party state without further alienation of the

[8] *The Times*, 28 January 1982 [9] *Moto* (Gweru), 5 August 1982.
[10] *The Observer*, 13 March 1983.

Sindebele-speaking population, it must make greater efforts to reassure the people of Matabeleland so that they do not feel unfairly deprived of the fruits of independence through the disproportionate reallocation of resources to the Shona-speaking people and to Harare, the capital, at the expense of Bulawayo.

Tensions also exist at various levels in the party itself and between its central committee and the Cabinet, with the former apparently succeeding in asserting its dominance over policy at the end of 1981. Edgar Tekere, one of Mugabe's most loyal supporters in Mozambique, who was dismissed in January 1981 as Minister for Manpower Planning and Development after his acquittal on a murder charge, told university students in July that the relationship between the party's supporters—'the custodians of the revolution'—and their representatives was being strained because some MPs had 'inherited the colonial mentality'.[11] Mugabe's counter-charge was that 'those who are complaining that the revolution is not continuing [are] the most immoral and the laziest in the party'.[12] Tekere, whose dismissal as party secretary-general at a central committee meeting followed promptly on 31 July, warned that the revolution was decaying and that government officials had lost touch with the black majority.[13] Mugabe himself publicly recognized this possibility nearly two years later in a scathing attack on corruption on 17 April 1983, when he pilloried what he called bourgeois tendencies among ministers, who 'with a more theoretical and thus hypocritical commitment to socialism have, under one guise or another, proceeded to acquire huge properties by way of farms and other business concerns'.[14] Moreover, competition for authority between 'radical' and 'pragmatic' groups within the party appears to be continual and is partly reflected in contradictions between the government's stated policies and their application. This applies particularly to ZANU/PF's regular condemnations of capitalism and its associated institutions and political systems while at the same time wooing the West, which is providing most of Zimbabwe's aid and what little foreign capital is being invested.

The role of the whites

The whites still retain their privileged place in the sun, even if their political role has been drastically reduced. An average monthly emigration rate of about 2,000 since independence has reduced the white population to about 150,000 from a pre-independence peak of over 250,000 (even though some of those who had emigrated are now reported to have returned, having discovered that nowhere was quite comparable to Zimbabwe). The alleged involvement of whites in anti-government plots and sabotage attacks, notably the destruction or severe damage inflicted on thirteen Air Force planes at the Thornhill base near Gweru (formerly Gwelo) on 25 July 1982, combined with the earlier dismissal of Lieutenant-General Peter Walls as the head of Zimbabwe's joint military command in July 1980 and his later expulsion from the

[11] *The Times*, 28 July 1981. [12] *The Guardian*, 27 July 1981.
[13] *The Times*, 10 August 1981. [14] *The Times*, 19 April 1983.

country, have all helped to undermine white confidence in the government's generous policy of reconciliation after a bloody struggle for black majority rule. Nevertheless, with the exception of white farmers in Matabeleland, who have been the frequent targets of dissident activity,[15] the life-style and economic privileges of the white community remained relatively unscathed.

Perhaps the most surprising development—from the viewpoint of the whites, if not the outside world—has been the decline of the Rhodesian Front, which belatedly and grudgingly accepted the fact of Zimbabwe's independence by changing its name to the Republican Front (RF) in June 1981. The continuous and carping criticism of the new regime by Ian Smith finally provoked nine RF Members of Parliament to leave the party in March 1982 to become independents. Their shift appeared to be vindicated in April 1983 when the RF suffered its first ever electoral defeat at a by-election in Bulawayo, and a further seat was lost at Makoni to an independent candidate on 30 September 1983.

The rule of law

The ZANU / PF government has continued to respect the onerous terms and conditions laid down in the Constitution imposed at Lancaster House in 1979,[16] but its overriding of several High Court decisions involving state security has led to increasing international criticism. The most recent instance of the re-detention of people acquitted by the courts occurred on 31 August 1983, when six white Air Force officers were freed by Judge Enoch Dumbutshena's ruling that they had been 'persistently and deliberately' denied access to their lawyers before making their confessions and also because of the evidence that four confessions had been extracted under torture by electric shock. Mugabe and his Minister of Home Affairs, Herbert Ushewokunze, were strongly critical of the inherited legal system which allowed an acquittal for 'technical reasons' when, they believed, the government had sufficient evidence of the officers' complicity in the sabotage attack. Three of the officers were released in early September, but four more (one not yet brought before the courts) remain in detention at the time of writing.

However, the outcry in the Western media which greeted the government's re-detention of these white officers has helped to obscure what might have been a more politically significant transgression of the rule of law, namely the re-detention on 27 April 1983 of the ex-ZIPRA leaders Dumiso Dabengwa and Lookout Masuku (who had been appointed Deputy Commander of the national army in August 1981). Dabengwa and Masuku were found not guilty on charges of treason and illegally caching arms (in the crisis which led to

[15] At least twenty white farmers were killed by dissidents in Matabeleland in 1982–3, with others feeling sufficiently insecure either to move into Mashonaland or to emigrate. The number of commercial farmers in Nyamandhlovu district, north-west of Bulawayo, for example, had dropped from sixty in 1980 to about twenty-five; *The Times*, 13 July 1983.

[16] See Claire Palley, 'Carrington's recipe for discord', *The Guardian*, 15 October 1979; also Martyn Gregory, 'Rhodesia: from Lusaka to Lancaster House', *The World Today*, January 1980, pp. 16–17.

Nkomo's dimissal from the Cabinet) and had been detained for more than a year before their trial. They might have been more wisely employed by the government in helping to find a political solution to the dissident problem in Matabeleland, but it could also be argued that if Dabengwa was seen to be operating on behalf of the government in trying to resolve this problem, he might no longer command respect from the former ZIPRA guerrillas still active in Matabeleland.

Meeting rising expectations?

The government faces major difficulties in reconciling one of the main promises spread by ZANLA's political campaign—the redistribution of land from rich white commerical farmers to the peasants—with the maintenance of the high levels of production of the agricultural sector. Since 1980, some 35,000 families have been resettled,[17] a figure which compares well with the government's original target of 18,000 over the first three years but unfavourably with its ambitious scheme for resettling 54,000 families a year over a three-year period starting in late 1982. There have also been problems in securing the release of British aid, since British grants to the resettlement programme could only be used when they were matched by Zimbabwean funds; the latter, in the circumstances of the present financial straitjacket imposed in March 1983 by the International Monetary Fund, have not proved readily available. Indeed, the resettlement budget for 1983–4 was cut by half in the July budget and Moven Mahachi, the Minister of Lands, Resettlement and Rural Development, subsequently announced that no new resettlement would occur in 1983. In addition, the Zimbabwean government has had to cope with the high cost of resettlement expenses on the poor land which it has been able to purchase.

The relatively slow pace of land redistribution in turn allows for racial and class divisions to surface within independent Zimbabwe. Many guerrillas and peasants, who made an active commitment to the liberation struggle, were reported to be unhappy about the repeated government exhortations to the white farmers to stay in the country and the immediate increase in pre-planting prices for the 1980–1 season, which led to dramatically higher profits for the farming community and, of course, especially for the white commercial farmers.

The precise nature of the resettlement programme so far carried out has also given rise to further debate as to the political direction of the government. ZANU/PF's election manifesto declared that the party's aim was to 'promote on newly acquired land the establishment of collective villages and collective agriculture';[18] although the government has certainly encouraged the development of agricultural co-operatives, most of the resettlement to date has been organized on the basis of individual tenure. In addition, it is important to note that those resettlement programmes which have already been put

[17] *The Guardian*, 26 October 1983.
[18] *ZANU(PF) 1980 Election Manifesto* (Maputo, 1980), p. 10

into operation by the government, either intentionally or through mistaken conception, have been orientated towards the needs of the Shona areas, where agriculture is principally geared towards growing crops and where cattle-rearing (with the attendant requirements for pasturing) does not assume the significance that it does in Matabeleland.[19] To complicate matters further, in part because of ZAPU's relatively late start with its own guerrilla offensive, the geographical location of the white farms and the nature of ZAPU's guerrilla strategy (with its relative emphasis on seeking out for attack the institutions and security apparatus of the state itself, rather than applying pressure in any systematic way on the white farming community), the white farmers in Matabeleland suffered less heavily from the armed struggle than those in the east, which meant that there were fewer unoccupied and/or abandoned farms usable for land resettlement. These factors would necessarily contribute to feelings of neglect and unsatisfied aspirations in Matabeleland.

With the steady rate of white emigration, and as a consequence of the government's policy of Africanization, one of the most noticeable features of independent Zimbabwe has been the growth of a black middle-class élite whose profile shows fewer and fewer points in common with the aspirations of the peasants and the urban workers, in growing contrast with the convergence of interests forged under the impact of the national liberation struggle. The growth of such a class, contrasted with the frustrations felt by many lower-paid workers, who found that the gains afforded by increases in the minimum wage were more or less eradicated by inflationary pressures, and evident wage disparities accentuated by the 1983 budget,[20] points to a increasing potential for future class conflict in Zimbabwe. Even in early 1981, the urban unemployed and the subsistence farmers were reported to have been showing deep resentment at the way in which the government appeared over-anxious to accommodate the old order, while those who fought the independence war were forgotten. Not all members of the government were unaware of this problem; President Canaan Banana, for instance, warned on 17 February 1981 that a failure to bridge the growing gap between rich and poor could lead to a class war.

Problems and achievements

The Zimbabwean government has had to contend with several major problems which are already suggesting divisions along class, racial, ethnic and regional lines. However, it needs to maintain both state security—particularly in view of the prospect of increasing South African efforts to destabilize the

[19] In order to meet this shortcoming in western Zimbabwe, model development schemes of communal ranching were introduced in February 1983, which allowed for pasture on communal lands to lie fallow for a period.

[20] In presenting the 1983-4 budget on 28 July 1983, Bernard Chidzero, the Minister of Finance, Economic Planning and Development, proposed the introduction of a 2 per cent income tax on earnings as low as Z$100 a month—the official minimum wage for industrial and commercial workers, which had not been raised since January 1982, despite an inflation rate of nearly 20 per cent.

ire subregion—and food production, especially in the face of the current ;re southern African drought. A rapid exodus of white commercial farmers ld precipitate a swift decline in food production which would not benefit ier Zimbabwe or its black African neighbours. Moreover, the boom in nomic growth in the first two years after independence has now given way :ero growth rates, as the world recession at last begins to bite. The gradualist proach adopted by the new government must not, however, allow the pace :hange to slacken too much, for fear of dividing Zimbabwean society along ss and regional lines. The over-zealous, and sometimes brutal, campaign of · security forces against dissident violence in Matabeleland, though it has doubtedly inflicted significant damage upon ZAPU, has possibly retarded ,NU/PF's hopes of achieving a consensus in favour of a one-party state and iy have increased the degree of alienation and desperation felt by the more lical and youthful elements among former ZIPRA cadres, as well as further iphasizing ethnic and regional divisions within the country.

Nevertheless, the achievements of the new regime must not be understated. obody, for instance, would have believed in mid-1979 that such a swift and latively peaceful transition from Rhodesia to Zimbabwe was possible. Major vances have been made in many areas, notably in health (where state nefits and welfare have been extended to a far greater proportion of the ipulation than ever before), education (where expenditure has risen fourfold id the numbers of both pupils and teachers have trebled since indepen- nce), housing, the Africanization of the former white administrative rvice, the economic growth immediately following independence, and the amatically improved relations with all neighbouring states, with the sole -but important—exception of South Africa.

ote to readers: A Note of the Month on the Turkish elections will appear ı the next issue of *The World Today*.

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